

**FBIS****DAILY REPORT  
CONTENTS*****Asia & Pacific*****Vol IV No 214****5 November 1985****JAPAN**

Nakasone Holds Meeting With Imelda Marcos C 1  
Abe Says Efforts To Raise Yen To Continue C 1

**NORTH KOREA**

Red Cross Head Proposes Use of Planes for Visits D 1  
South's Struggle Against Foreign Forces Viewed D 1  
[NODONG SINMUN 3 Nov]  
Chong Chun-ki Meets PRC Journalist Delegation D 3

**SOUTH KOREA**

U.S. Embassy Once Targeted for Group Action E 1  
[THE KOREA TIMES 5 Nov]  
U.S. Embassy Spokesman Deplores Occupation E 1  
[THE KOREA HERALD 5 Nov]  
Ambassador to U.S. Discusses Trade Friction E 1  
[THE KOREA TIMES 5 Nov]  
NKDP Disciplinary Committee Makes 'No Progress' E 2  
[THE KOREA TIMES 5 Nov]  
About 5,600 Students Stage On-Campus Rallies E 2  
[THE KOREA HERALD 5 Nov]

**CAMBODIA**

Council of State Meeting Held 30 October H 1  
KPRP Congress Observed With Speeches, Meetings H 1  
Art Performance Held H 1  
Meeting in Kratie H 1  
Health Minister's Report H 2  
Education Minister's Comments H 4  
Phnom Penh Delegate's Speech H 5  
KPRP, Government Support Sofia Declaration H 6  
Supplies Sent to Vietnamese Typhoon Victims H 7  
10 Enemy Soldiers Killed in Kompong Thom H 8  
Attack on 'Bandits' in Kratie Kills 6 H 8

**LAOS**

Army Political Department Delegation to SRV I 1  
Rally Hails Soviet Amity Group's Congress I 1

**THAILAND**

Official on Upcoming Garment Talks in U.S. J 1  
[THE NATION 4 Nov]  
Minister Comments on Trade With USSR J 2  
[SIAM RAT 4 Nov]

Athit Orders Alert Along Burmese Border	J	3
[THE NATION 5 Nov]		
Police Arrest 'Leading Communists Insurgent'	J	3
[BANGKOK POST 1 Nov]		
2 'Communist Insurgents' Killed, 1 Captured	J	3
[BANGKOK POST 31 Oct]		

## MALAYSIA &amp; SINGAPORE

## MALAYSIA

USSR Deputy Prime Minister Begins 5-Day Visit	[AFP]	O	1
Talks With Mahathir		O	1
Meets Trade Minister		O	1
Talks With Foreign Minister	[AFP]	O	2
Urges End to Cambodian Problem	[AFP]	O	2

## SINGAPORE

Lee Kuan Yew Departs for Visit to Taiwan	[AFP]	O	3
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## PHILIPPINES

Marcos Sets Presidential Election for 17 January	P	1
Explains Election Decision [BULLETIN TODAY 4 Nov]	P	2
Reaction in Parliament	P	3
Election Commission To Meet	P	3
Invitation to U.S. Observers	P	3
Valencia on Election	P	4
Ex-Vice President Asks for Government Support	P	5
Soviet Embassy Denies Staff Growth, Rebel Aid [AFP]	P	6
METRO MANILA TIMES on Soviet Relations [1 Nov]	P	6
BULLETIN TODAY Criticizes Bosworth Speech [4 Nov]	P	7
TIMES JOURNAL on Bases Accord Clarification [2 Nov]	P	8
Valencia on Problems in Combating Subversives	P	9
Agriculture Official Meets Japanese Delegation	P	10
Japan Approves Financing of 13th Yen Loan Plan	P	10
[METRO MANILA TIMES 30 Oct]		
Government Restructures \$2.35 Billion in Loans	P	12
[PHILIPPINES DAILY EXPRESS 2 Nov]		
Government Revenues Total 59.4 Billion Pesos	P	12
[METRO MANILA TIMES 30 Oct]		
Drop in Export Earnings, GNP Predicted for 1985	P	13
Business Leaders: Defer Import Liberalization	P	14
[BUSINESS DAY 1 Nov]		
Country's Labor Productivity Declines in '80s	P	15
[BUSINESS DAY 1 Nov]		
Government Urged To Seek Larger U.S. Sugar Quota	P	16
[BUSINESS DAY 31 Oct]		
Labor Industry Hits Proposed Strike Ban Bill	P	18
[BULLETIN TODAY 1 Nov]		
UK Firm Contracted for Power Forecasting Training	P	18
[BUSINESS DAY 1 Nov]		
Divestment Program To Begin With Ship Sales	P	19
[PHILIPPINES DAILY EXPRESS 1 Nov]		
Military Reformists May Face Arrest, Detention	P	19
[VERITAS 3 Nov]		
Military Power Reportedly Declining in Negros	P	21
[VERITAS 27 Oct]		
Negros Sugar Workers Get Middle East Jobs, Loans	P	23

NAKASONE HOLDS MEETING WITH IMELDA MARCOS

OW050601 Tokyo KYODO in English 0547 GMT 5 Nov 85

[Text] Tokyo, Nov. 5 KYODO -- Prime Minister Yasuhiro Nakasone told Philippines first lady Imelda Marcos Tuesday he wants the Philippine to improve its relations with the United States. Nakasone said he is aware of the Philippines' importance to Japan as a close Asian neighbor, and added: "I also hope the Philippines will deal with its relations with the United States carefully" His remark was an apparent reference to U.S. concern over the situation in the Philippines, which is said to have deteriorated since the assassination of opposition leader Benigno Aquino two years ago. President Ferdinand Marcos said in Manila Monday that he will call a snap presidential election in January to settle the question over his "popularity."

The president's wife, now in Japan on a private visit, had a 40-minute meeting with Nakasone at the prime minister's office. During the meeting Nakasone also expressed his hope for domestic reform in the Philippines, saying promotion of economic relations with the Philippines is possible only under international cooperation according to Japanese officials. They said Mrs. Marcos assured Nakasone in the meeting that there are indications of economic recovery in the Philippines. The officials quoted Mrs. Marcos as telling Nakasone that her country wants Japan to buy more sugar and coconuts in order to expand bilateral trade.

Mrs. Marcos also sought Japan's advanced technologies to manufacture by-products from sugar and other farm products, the officials said. She arrived in Tokyo Friday for a week-long visit en route home from the United States and the Soviet Union. Mrs. Marcos met Foreign Minister Shintaro Abe Saturday and called for closer economic relations between the Philippines and Japan.

ABE SAYS EFFORTS TO RAISE YEN TO CONTINUE

OW020307 Tokyo KYODO in English 0251 GMT 2 Nov 85

[Excerpt] Tokyo, Nov. 2 KYODO -- Japan's top government leaders pledged continued efforts to raise the value of the yen in a meeting with leading businessmen in the Pacific Basin area Friday night at a Tokyo hotel. Pacific Basin Economic Council (PBEC) international president Frederick Whittemore told a press conference that Foreign Minister Shintaro Abe told the meeting those efforts should be sustained and not tentative. The yen has gained some 10 percent against the U.S. dollar since the group of five (G-5) finance ministers meeting September 22 in New York. The G-5 meeting agreed to make concerted efforts to lower the value of the dollar against other major currencies.

Whittemore, who is managing director of Morgan Stanley and Co., said he was told by an official of the Finance Ministry's International Finance Bureau that the G-5 move has not yet produced sufficient results. The meeting was attended by businessmen from Australia, Canada, Indonesia, Japan, South Korea, New Zealand, Taiwan and the U.S. They put questions on Japanese Government policies to Abe, International Trade and Industry Minister Keijiro Murata and top officials from various government offices.

RED CROSS HEAD PROPOSES USE OF PLANES FOR VISITS

SK050740 Pyongyang Domestic Service in Korean 0700 GMT 5 Nov 85

[Text] The chairman of the Central Committee of the DPRK Red Cross Society sent the following telephone notice to the president of the South Korean Red Cross today:

To Kim Sang-hyop, president of the RPK Red Cross: Today, many-sided dialogue is being held between the North and the South, and the number of people visiting the North and the South, and the frequency of visits are increasing in an unprecedented manner. This new situation demands that the mutual visits between the two sides be made more convenient and efficient. Proceeding from this consideration, the Central Committee of the DPRK Red Cross Society proposes to your side that airplanes, one of the most rapid and convenient means of transport, be used for future mutual visits to Pyongyang and Seoul for the talks between the Red Cross organizations of the two sides, and that an airplane be more immediately utilized, as an example, or model case, when the members of the delegation of our side visit Seoul on 25 November for the 10th round of the North-South Red Cross talks.

To discuss practical matters with regard to this, we hope that a contact of working-level delegates can be held with the participation of a representative of the Red Cross talks and two concerned civil aviation personnel from each of the two sides. We consider it proper to use the conference room of the Neutral Nations Supervisory Commission in Panmunjom as the venue of the contact, and to hold the contact at 1000 on 11 November. We expect an affirmative reply from your side.

[Signed] Son Song-pil, chairman, DPRK Red Cross Society; 5 November 1985

SOUTH'S STRUGGLE AGAINST FOREIGN FORCES VIEWED

SK040200 Pyongyang Domestic Service in Korean 2149 GMT 2 Nov 85

[NODONG SINMUN 3 November Special Article: "The South Korean People Will Raise Higher the Banner of Struggle Against Foreign Forces and the Puppet"]

[Text] Today, we mark the 56th anniversary of the Kwangju student incident. The flames of anti-Japanese struggle that youths and students in Kwangju ignited, with Japanese students' insulting of and making sport with Korean female students in Kwangju as an occasion, were expanded to the whole of Korea, including Pyongyang, Seoul, Sinuiju, and Kaesong.

The youths and students gallantly struggled for 6 months, shouting the slogans "Let us overthrow the Japanese imperialists," "Abolish the colonialist and slavist education," and "Long live the independence of Korea," in defiance of the barbarous suppression by the Japanese aggressors and to regain, at any cost, the national dignity and sovereignty of which they had been divested.

Although the Kwangju student movement ended in failure because of the barbarous suppression by the Japanese imperialists and the movement's own restrictions, the youths and students experienced the precious truth, through this struggle, that to win victory in the struggle for the country's independence and sovereignty, they should possess the wise leadership of the leader who organizes and indoctrinates the masses, that a student movement should be linked with a struggle of workers and farmers, and that armed enemies should be smashed with arms.



Forty years have passed since the Korean people were liberated from the brutal Japanese imperialists' rule. However, the desire of the South Korean people for national dignity and sovereignty is still being trampled underfoot by the U.S. imperialists who sneaked into South Korea in lieu of the Japanese imperialists.

The great leader Comrade Kim Il-song has taught: The splitting of the country into two parts and the division of the nation created by the U.S. imperialists' occupation of South Korea have brought great national disaster and sufferings to the Korean people and have created grave obstacles to the unified development of our nation.

The U.S. imperialists, who sneaked into South Korea under the mask of liberators, have turned it into their complete colony and military base and into the largest advance nuclear base in the Far East, for their aggression against the whole of Korea and Asia. Not being satisfied with their position of acting as the masters in South Korea, the U.S. imperialist war maniacs are accelerating preparations for a thermonuclear war and chemical war for northward invasion, with the South Korean puppets, in a bid to expand their colonial ruling system in South Korea to the northern half of the republic.

Under the U.S. imperialists, colonial rule, the national dignity and sovereignty of the South Korean people have been mercilessly trampled underfoot. They have been driven so far as to face the danger of being forced into becoming the victim of a nuclear war.

Japanese militarism, which has been revived under the protection of the U.S. imperialists, is also stretching out its claws to reinvade South Korea.

The foreign forces' maneuvers for aggression against and intervention in South Korea have been further aggravated by the treacherous Chon Tu-hwan clique. The Chon Tu-hwan ring has enthusiastically thrown itself into the implementation of the U.S. imperialists' policy of aggression. It has completely handed all things in South Korea, including politics, the economy, and culture, over to foreign aggression forces. Traitor Chon Tu-hwan has visited his U.S. boss on two occasions to beg for the permanent stationing of U.S. forces in South Korea. He also visited the Japanese emperor, again and again bowing obsequiously before him, and promised to revoke the crimes committed by the Japanese imperialists before the Korean people in the past in a bid to beg for more aid from the Japanese imperialists. This vividly shows his treacherous character.

At a time when the U.S. imperialist aggressors, taking advantage of their domination of all aspects in South Korea, have taken strong measures to restrict imports of South Korean goods, on the one hand, and have strongly demanded the opening of South Korean markets for the sale of their goods on the other hand, the Chon Tu-hwan ring has failed to protest against this. This also reveals the treacherous true color of the Chon Tu-hwan ring.

Even while it is currying favor with outside forces, the Chon Tu-hwan ring is making it a business to commit fascist, brutal violence against the South Korean youths, students, and people who aspire for independence, democracy, and reunification. In South Korea today, the police forces frequently conduct brutal assaults against campuses; media organizations and publishing companies are forced to close; thousands of political prisoners are brutally tortured; and arrests, imprisonment, and homicidal trials are frantically conducted. As a commando group that is carrying out the U.S. imperialists' policy of fabricating two Koreas, the Chon Tu-hwan ring is frantically attempting to erect a wall of perpetual division.

While persistently opposing our reasonable proposals for peaceful reunification, including the proposal for establishing the Democratic Confederal Republic of Koryo, the proposal for tripartite talks, and the proposal for North-South parliamentary talks, the Chon Tu-hwan ring is building a graver barrier to reunification by making such false proposals for reunification as the proposal for talks between persons in authority and the proposal for national reconciliation and democratic reunification, which are not practical at all.

While unprecedentedly strengthening anticommunist confrontation and war rackets against us under the deceptive placard of dialogue, the puppets are maneuvering for behind-the-scenes negotiations, while busily prowling about the UN stage with divisionist proposals, including the proposal for simultaneous admission into the United Nations by the North and the South, the proposal for South Korea's sole admission into the United Nations, and the proposal for cross-recognition, in an effort to internationally justify the country's division. Such maneuvers of the Chon Tu-hwan ring are very unforgivable, traitorous, and nation-selling acts designed to maintain its status as a dirty colonial running dog by currying favor with and following the aggressors, while being indifferent to the destiny of the country and the nation.

Recognizing that not only national sovereignty and national independence but also the country's reunification cannot be attained under circumstances in which the U.S. imperialists' colonial rule and the Chon Tu-hwan ring's fascist rule remain intact, the South Korean people are, with high spirits, rising up in the anti-U.S. and antifascist struggle. They waged the struggle of occupying the American Cultural Center in Seoul and, even at this very hour, they are loudly shouting slogans demanding the withdrawal of the United States, the overthrow of the debt-ridden regime, the overthrow of the fascist dictatorship, and Chon Tu-hwan's removal.

To live in a new, democratic society, where there are no aggressors and nation sellers, is the South Korean people's will and aspiration. By looking squarely at the realities, the U.S. imperialists must abandon their anachronistic policy of occupying South Korea and immediately withdraw from South Korea as requested by the South Korean people. The Japanese reactionaries must discard their ambition to reinvade Korea and must not instigate the puppets to anticommunism and division. The Chon Tu-hwan ring must immediately resign from the seat of office after giving up the foolish idea of remaining in the dirty office by clinging to the skirts of the U.S. and Japanese masters. The South Korean people's anti-U.S. and antifascist struggle for independence and democracy which is waged in order to regain lost national dignity and independence, is very just, and they will be successful in this struggle without fail. The South Korean people will raise higher the banner of their struggle against outside forces and the puppets.

#### CHONG CHUN-KI MEETS PRC JOURNALIST DELEGATION

SK050503 Pyongyang KCNA in English 0456 GMT 5 Nov 85

[Text] Pyongyang November 5 (KCNA) -- Vice-Premier Chong Chun-ki on November 4 met and had a friendly talk with the delegation of the PEOPLE'S DAILY of China headed by its Councillor Guo Wei at the Mansudae Assembly Hall. Present on the occasion were So Tong-pom, deputy editor-in-chief of NODONG SINMUN, and Zong Kewen, Chinese ambassador to Korea. Yesterday Vice-Premier Chong Chun-ki also met the delegation of the BEIJING DAILY of China headed by its director Xu Wen at the Mansudae Assembly Hall and conversed with it in a friendly atmosphere. On hand were Kim Hong-il, deputy editor-in-chief of PYONGYANG SINMUN, and Zong Kewen, Chinese ambassador to Korea.

U.S. EMBASSY ONCE TARGETED FOR GROUP ACTION

SK050038 Seoul THE KOREA TIMES in English 5 Nov 85 p 8

[Text] One of the 14 intruders of the Amcham [American Chamber of Commerce] office told police that they first chose the U.S. Embassy building as the target of their group action but the tightened security there forced them to change the plan.

Seoul National University student Kim Yong-hui also said that they had made advanced inspection of the sit-in site, the Amcham office, two times. The students told police that they conceived the intrusion plan in the rented room of Ku Pon-ung, the alleged leader, located in front of Konguk University on Oct. 27.

The USIS building was once considered as a likely target if the students could not carry out the seizure plan of the embassy building, according to police. The library in the USIS building had been held by 73 students for four days.

Meanwhile, it was learned that all of the 14 students who occupied the Amcham office will be indicted.

U.S. EMBASSY SPOKESMAN DEPLORES OCCUPATION

SK050054 Seoul THE KOREA HERALD in English 5 Nov 85 p 8

[Text] David F. Fitzgerald, spokesman for the U.S. Embassy, said "We regret such an incident happened. We really deplore the action." When asked to comment on the report that the students wanted to talk with embassy officials, he said the embassy has not received such requests by the students.

AMBASSADOR TO U.S. DISCUSSES TRADE FRICTIONS

SK050056 Seoul THE KOREA TIMES in English 5 Nov 85 p 4

[Text] Newly-appointed Ambassador to the United States Kim Kyong-won said yesterday that the two countries will come to mutually beneficial solutions to the current trade friction, if they deal with the matter "wisely and reasonably." "Unlike other bilateral conflicts, where one party's gains mean the other party's losses, this is not a zero-sum game. This is what may be called a cooperative game," said Kim, 49, in a press conference. "In dealing with this matter, the two sides should not forget the fundamental fact that trade between the two countries is mutually beneficial.

"Korea is the seventh-largest trading partner of the United States. The trade friction has been predicted as a result of our economic development," he said. What is most important in solving this matter, he said, is accurate analysis and understanding. "An emotional approach toward this matter may only bring forth mutually damaging consequences," he said.

The professor-turned-diplomat, who served as the ambassador to the United Nations for nearly four years, said from his experience in New York that he was optimistic about future relations between the two countries despite all the current problems. "When I observed the 150-odd countries at the United Nations, I could not find a pair of countries whose relations had been registered more successful than those between Korea and the United States," he said. He then stressed the need to consolidate the people-to-people relations between the two countries as a ground for further binational cooperation.



"Each country counts its own national interest as most important in international politics, which is ruthlessly realistic. Relations which are based on simple interests, however, always carry the possibility of a breakdown.

"Relations between one country and another cannot last long unless they are backed up by friendship and confidence between the two peoples," he said. As the head of the Korean mission in the United States, Kim said he would do his best to encourage his staff in Washington to show off to the fullest their diplomatic ability. "I want to help them serve with pride, by making them aware of the fact that each of their activities would greatly affect the interests and history of the Republic of Korea," he said.

Asked if his schooling experience in the United States would be helpful to his ambassadorial service in any way, the Harvard-educated diplomat said that the nation has grown out of the level at which it may profit from an individual's background. "The effect an individual's efficiency can bring to a country like the Republic of Korea is almost negligible, compared with that of the systematic endeavors that can be made by the country as a whole," he said. Kim entered officialdom in May, 1975, as a special advisor for international relations to then-president Pak Chong-hui, after years of teaching political science at home and abroad. With the establishment of the present government, he was named chief secretary to President Chon Tu-hwan. In December, 1981, he became the ambassador to the United Nations.

#### NKDP DISCIPLINARY COMMITTEE MAKES NO PROGRESS

SK050025 Seoul THE KOREA TIMES in English 5 Nov 85 p 1

[Text] The disciplinary committee of the main opposition New Korea Democratic Party made no progress yesterday in its inquiry of three party lawmakers who ran for vice National Assembly speaker, defying party nomination. The three are Reps. Cho Yon-ha, Kim Ok-son and Pak Hae-chung, who competed in the election on Oct. 28 against the party's nominee, Rep. Yi Yong-hui. Cho was elected.

The committee was about to listen to their explanations in its second meeting yesterday, but they did not appear before the panel. The panel, headed by Rep. Cho Sun-hyong, decided to ask them to attend its third meeting, around this weekend.

In a caucus held immediately after the vice speaker election, NDP lawmakers made a "political resolution" to expel the three from the party for their disobedience of a party order. According to the resolution of the caucus, the three lawmakers were referred to the disciplinary committee.

#### ABOUT 5,600 STUDENTS STAGE ON-CAMPUS RALLIES

SK050106 Seoul THE KOREA HERALD in English 5 Nov 85 p 8

[Text] An estimated 5,600 students of 13 universities and colleges across the country staged on-campus rallies yesterday after holding ceremonies to mark the 56th Students' Day Sunday. About 1,500 students from 10 major universities in Seoul gathered at Seoul National University to hold a joint ceremony. At the rally, led by Ko Myong-sok, 22, chairman of the radical students' group "Sammintu" and O Su-chin, 22, chairman of the Federation of National Students' Associations, the students criticized U.S. trade pressure on Korea. The rally, which started around 1 p.m., ended at 5:40 p.m. after students clashed with riot police who tried to stop them from marching out of the campus. About 500 Korea University students held an on-campus rally after a Students' Day ceremony from 2:10 p.m. They also hurled stones and fire bottles at police and were dispersed around 5 p.m.



COUNCIL OF STATE MEETING HELD 30 OCTOBER

BK040458 Phnom Penh SPK in French 0414 GMT 4 Nov 85

[Text] Phnom Penh, 4 Nov (SPK) -- The PRK Council of State held its ordinary meeting on 30 October in the presence of Chairman Heng Samrin. It ratified the draft of a decree and approved the propositions for the decoration of a number of units and individuals as well as for the decoration of 21 Soviet experts and 17 Vietnamese experts. The meeting also examined the report presented by the Justice Ministry concerning a decision of the Kompong Thom Province's party committee. The meeting listened to the report on the decoration of the Angkor Medal to high-ranking leaders of the party and state of the SRV, the report on the appointment of a number of high-ranking cadres, and the results of the socioeconomic tasks during the first 9 months of 1985.

KRPR CONGRESS OBSERVED WITH SPEECHES, MEETINGS

## Art Performance Held

BK310352 Phnom Penh Domestic Service in Cambodian 1300 GMT 30 Oct 85

[Text] On 28 October the Kampuchea Federation of Trade Unions [KFTU] organized an art performance to welcome the success of the party's fifth national congress. Attending the occasion were, among others, Comrade Say Phuthang, member of the party Central Committee Political Bureau and chairman of the party Central Control Commission; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the KFTU; Comrade Ney Pena, member of the party Central Committee Political Bureau and first deputy interior minister; and many other comrades ministers, deputy ministers, and cadres from central services and departments and from the provinces and municipalities.

Opening the art performance, comrade Mat Ly pointed out that the art performance is organized to encourage the emulation movement of our personnel and workers throughout the country and aimed at heightening the spirit to defend factories and enterprises, fight against the enemies to defend localities, and to win back misled persons. At the same time, this art performance is also aimed at showing the skills, genius, and improvisational spirit of our workers and personnel in the field of art and culture. The comrade also pointed out that taking part in this art performance are 502 artists from 9 provinces and municipalities and 6 ministries. They brought traditional songs, popular dances, various forms of theatres, mime, and short plays. Comrade May Ly also affirmed that this art performance shows the unanimous spirit to fight and the courageous pledge of our workers and cadres to transform resolutions of the party's fifth national congress into concrete and successful implementation in every field.

## Meeting in Kratie

BK010733 Phnom Penh Domestic Service in Cambodian 0430 GMT 31 Oct 85

[Text] A grand meeting to welcome the brilliant success of the party's fifth national representative congress was held recently at the theater hall in Kratie Province. Attending the meeting were many cadres, party members, members of the core groups and youth association, and personnel and workers from all sectors and units throughout the province. Comrade Nhem Heng, secretary of the province's provisional party committee and head of the Kratie provincial party delegation to the congress, read a report on the activities and brilliant outcome of the fifth party congress. He stressed: The party's rapid growth and its great achievements in national defense and construction are thanks to the firm will, resolute struggle, and firm confidence in the party leadership of the people and Armed Forces in the province. This is also attributable to the strengthening and expansion of the militant solidarity of Cambodia, Vietnam, Laos, and other fraternal socialist countries.

The meeting's participants expressed great joy at the brilliant success of the party congress and pledged to turn the resolutions of the fifth party congress into concrete deeds. They also pledged to stimulate vigorously the emulation movement to make greater achievements during the last 3 months of 1985.

#### Health Minister's Report

BK311204 Phnom Penh Domestic Service in Cambodian 0430 GMT 31 Oct 85

[Report on Health Development made to recent Fifth KPRP Congress in Phnom Penh by Health Ministry Yit Kimseng -- recorded]

[Text] Since the great victory of 7 January 1979, cadres, personnel, and workers throughout the country have strived perseveringly to restore and rebuild our health service. During the past 7 years, thanks to the correct and authentic line of our party, to the great efforts made by our health cadres and personnel, to the attention of our party and state authorities at all levels from the central to local levels, to the people's firm confidence and close unity around the party and state, to assistance given us with lofty spirit of proletarian internationalist solidarity by fraternal Vietnam, Laos, and the socialist community in the world with the Soviet Union as its firm bulwark, and to the aid given us by some international humanitarian organizations, our health service at all levels which was seriously destroyed by the Pol Pot-Ieng Sary-Khieu Samphan clique has developed rapidly with every passing day and every passing year. We have successfully served and improved our people's health.

We divided the course of this development into two periods, that is, the period before the fourth party congress and the period between the fourth and fifth party congresses.

#### 1. Number of hospitals:

Before the fifth party congress, we had just rearranged and restored 1,338 health centers, that is, 7 central hospitals, 22 provincial and municipal hospitals, 119 district hospitals, and 1,190 commune infirmaries. By now, there are 1,517 health centers throughout the country, that is, 8 central hospitals, 26 provincial and municipal hospitals, 134 district hospitals, and 1,349 commune infirmaries -- an overall growth of 13 percent for the first 2 years after the great victory day of 7 January which is the period preceeding the fourth party congress.

#### 2. Number of hospital beds:

Before the fourth party congress we had restored 14,396 hospital beds -- 1,513 beds at the central hospitals, 3,788 beds at provincial and municipal hospitals, 3,736 beds at district-level hospitals, and 5,359 beds at all commune infirmaries. From the period after the fourth party congress to date, the number of hospital beds has increased to 17,856 beds, that is 2,003 at the central-level hospitals, 4,398 at the provincial and municipal hospitals, 5,788 at the district hospitals, and 5,667 at all commune infirmaries -- an increase of 24 percent of the achievements made before the fourth party congress. Particularly in 1985, the number of beds increased by 1,490 or 43 percent of the total we had during the period after the fourth party congress to date.

#### 3. The number of health personnel:

Before the fourth party congress, we had a total of more than 10,000 health personnel throughout the country. At present, there are more than 13,000 health personnel throughout the country -- an increase of 25 percent of the number of personnel we had during the period before the fourth party congress. This can be broken up as follows: the number of doctors increased by 4 percent, the number of dentists increased by [number indistinct], number of pharmacists increased by 4 percent, number of physicians increased by 6 percent, number of nurses increased by 44 percent, number of midwives increased by 38 percent, and the number of hospital hands decreased by 21 percent

#### 4. The development of the body of health personnel:

There are now a total of 8,547 health cadres and personnel of all categories who have been trained during the new regime and fielded so far -- that is, 209 doctors, 161 pharmacists, 21 dentists, 297 physicians, 347 nurses, 242 midwives, 40 laboratory experts, and 7,244 primary nurses and midwives [all figures as heard]. This is twice as many as that in the period before the fourth party congress. Among the 3,208 students currently attending health training in all aspects throughout the country. 427 will graduate at the end of 1985 and the beginning of 1986.

#### 5. Prevention and eradication of general and social diseases:

Pursuing the "prevention is better than cure" guideline, the ministry has stimulated sanitation campaigns, built model communes and villages, given advice on the three-point hygiene to keep cleanliness in drinks, food, and housing, and on the building of hygienic bathrooms, wells, and lavatories, and increased vaccinations, thus enabling our people to learn how to lead a hygienic life and to protect themselves from various diseases.

##### a) Diagnosis and treatment:

Thanks to intensive training, our medical cadres have gained more experience since the period before the fourth party congress. By now, the diagnostic and curative technique has been improved remarkably. The distribution of health personnel at the higher and medium echelons has been carried out more appropriately than in previous years. All the 20 provinces and municipalities in the PRK have their own doctors for medical care and treatment of the people. Thanks to all these points, the diagnostic and curative technique has been improved satisfactorily and the rate of mortality has decreased gradually.

##### b) Pharmaceutical production:

Pharmaceutical production by our pharmaceutical laboratories has advanced rapidly. Our production rate has increased every year. In 1982, we produced more than 180 metric tons of medicine -- an increase of 2 percent over that in 1981. In 1983, we produced more than 210 metric tons -- an increase of 19 percent over 1982. In 1984, we produced more than 270 metric tons -- an increase of 24 percent of that in 1983. This year, we produced more than 290 metric tons -- an increase of 42 percent of that in 1983 and 7 percent of that in 1984. Moreover, we have a central traditional medicine research and production center and many other traditional medicine production centers in many provinces, districts, and communes which are doing research on and producing medicines to meet the need of the people. Meanwhile, the mass organizations have been strengthened and expanded both in terms of quantity and quality. All these points clearly prove the rapid growth of our health service -- an important contribution to the defense and construction of our Cambodian fatherland.

This success is made possible thanks to our party's correct lines and policy, to the great efforts made by our health cadres, personnel, and workers at all levels, and to the assistance of the authorities, mass organizations, and people in all localities. These great achievements we made still do not meet the requirements of our nation. For this reason, we have set various important targets and plans for implementation in 1986 and the period between 1986 and 1990:

1. All health work must serve the political tasks and the common goals of the party and state and the tasks relating to the state's economic and social plans for 1986 and the coming years.

2. The basic task of the health sector is to strengthen all components of the health network so that they run smoothly toward genuine stability, thus carrying out all activities effectively and with high results.



3. All activities must be carried out in accordance with the health ministry's policy and the resolutions of the fifth party congress.

All these targets and work plans are aimed at successfully and effectively implementing the resolutions of the party central committee, particularly the resolutions of the fifth party congress, on building the ranks of health cadres, personnel, and workers who wholeheartedly and sincerely serve the people and who do anything possible for the better health of our cadres, combatants, personnel, workers, and people and for the cause of defending and building our country in order to make it advance toward socialism.

#### Education Minister Comments

BK021001 Phnom Penh SPK in French 0446 GMT 1 Nov 85

[Text] Phnom Penh, 1 Nov (SPK) -- Asked to give his impressions of the KPRP Fifth Congress -- held from 13 to 16 October -- Pen Navut, alternate member of the KPRP Central Committee and education minister, told us:

"As a citizen and member of the party, I was very glad to take part in the congress and to have the opportunity to express my points of view on consolidating the party's policy, which constitutes a fundamental law governing the development of the country. Such an event reflects genuine democracy in our party," he affirmed.

On behalf of more than 40,000 teachers and 2 million students in Cambodia, the minister expressed a unanimous view on the political report of the congress. Concerning the strategic tasks of developing the education field he said:

"Our immediate tasks are to create favorable conditions for promoting education in a socialist direction. It is also our task to form a future generation of youths animated with a spirit of defending and building a socialist fatherland and to train new workers imbued with a genuine spirit of patriotism and international socialist solidarity. These are workers with every revolutionary virtue, qualified, in good health, and always ready to take on any task to serve the national and the people. Furthermore, the education ministry should work toward enriching the general knowledge of our cadres, workers, and peasants, particularly ethnic minorities, so that they become well-educated revolutionary combatants. This is to speed up the process being instituted by the KPRP." The minister continued:

"A key task of the education ministry is the implementation of a program of vocational training. For this, every province and relevant service will have to set up vocational training centers mainly for students from the secondary level of education."

The minister stressed the necessity of having sufficient pedagogical knowledge in order to improve familiarization of the party's political lines among the masses. The minister called on every state institution and mass organization to pool efforts and intensify cooperation with every educational establishment throughout the country to fulfill well all educational tasks. As someone responsible for education he expressed his determination to implement, in concert with the people, all the resolutions of the fifth congress, particularly the ones concerning education, by contributing to the cause of defending and building the nation in conformity with the requirements of the party, the state, and the people.



## Phnom Penh Delegate's Speech

BK011249 Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Nov 85

[Address to recent Fifth KPRP Congress in Phnom Penh by Nguon Nhel, alternate member of the KPRP Central Committee Political Bureau and secretary of the provisional party committee of Phnom Penh -- recorded]

[Text] The people of Phnom Penh, like the rest of the Cambodian people, suffered so miserably under the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime, which considered the people as its enemy, driving the people from the city, forcing them to do hard labor, and massacring many of them, especially the old, the young, intellectuals, and workers. Many families were completely wiped out. Now, there are many localities in the capital where not even a single old-time inhabitant has returned to his own home. At present, the population of Phnom Penh from all strata that has survived death is seethingly indignant at Pol Pot, Ieng Sary, and Khieu Samphan and the other reactionary Cambodians who led the people to the brink of genocide and who, for the past 7 years, have continued to sabotage the peaceful life of our people.

Starting from this, the inhabitants of Phnom Penh city have further increased their confidence in the leadership of the KPRP and the PRK state and have made all efforts to revive and develop Phnom Penh from a deserted and desolate dead city full of blood and tears into a city of more than 500,000 inhabitants, the center of all affairs for the whole country.

The party committee and the party section of Phnom Penh have strenuously guided the rehabilitation and reconstruction of the capital, stabilizing the social life; building the revolutionary forces; creating and consolidating the administrative power at all levels; organizing a new productive order; coordinating the rehabilitation of production; redistributing the circulation of goods and currency; rehabilitating and developing education, culture, health care, and social welfare; ensuring the stabilization of the living conditions for the people; strengthening political security; and maintaining good social order, thus bringing a new, clean outlook to the capital. The rehabilitated industrial-handicraft sector has been boosted, putting out huge quantities of goods to meet the everyday needs of the people both in the city and all over the country. The gross value of industrial products in 1984 increased 23-fold. The gross value of handicraft products increased 43-fold compared to 1980. The cultivation of vegetables and subsidiary food crops, animal husbandry, and fisheries have made rapid progress. Education, too, has made swift progress: There are now 68 schools from kindergartens to senior high schools, enrolling a total of more than 100,000 students. In the health care sector, we have extended our health care networks into the wards and the prophylactic movement has also been promoted down to the grass roots. Cultural and sport activities have also been rehabilitated and gradually broadened with a mass character and strengthened and developed gradually toward having a professional standard to encourage and entertain the people, urging them to participate in the cause of national defense and reconstruction.

Building the revolution's real force has made big headway. The number of party members has increased 13-fold compared to 1980, and step by step attention has been paid to building the party within the ranks of the workers. The recruitment of the youths for army service exceeds the plan every year. The administrative and police power has been strengthened to enable it to successfully ensure and maintain order and security in the capital, particularly providing safety for the major national festivals and various international delegations.

Furthermore, the inhabitants of Phnom Penh have enthusiastically participated in the national defense labor movement, fulfilling the tasks entrusted by the central organization. At present, the people of Phnom Penh are involved in a seething emulative movement to make achievements in anticipation of the national representative congress of the party.

All these feats have been made possible thanks to the correct leadership of the party and state with Comrade Heng Samrin as the great leader, and thanks to the hatred of the city population vis-a-vis the genocidal clique as well as to the international assistance from the fraternal socialist countries, especially the close and all-round assistance from the sister Ho Chi Minh City. The party committee and party section of Phnom Penh clearly see what we will have to overcome in the future regarding the following matters in order to build Phnom Penh into a capital where the working people are the masters:

1. The enhancement of protection and maintenance of political security and social order: In this regard, we have plans to strengthen and increase the quality of solidarity groups and people's groups in order to develop the people's right to mastery in the implementation of all types of work, first of all in defense work.
2. In the handicraft sector, we will strive to intensify further so that the handicraft business in Phnom Penh can increase the work forces by 1,000 to 1,500 workers every year and raise the gross value of products by 10 to 15 percent. We will strive to turn Phnom Penh, where the people are now mostly employed in the service sector, into a city of producers.
3. In the trade sector, we will strive to strengthen and develop the state-run trading activities and organize and control free markets in order to develop the trade business in Phnom Penh along the socialist line.
4. Regarding the building of the revolution's real forces, we will strive to build, strengthen, and expand the real forces of the revolution. Moreover, we hold that it is imperative to reorganize quarters, districts, wards, and communes as soon as possible in order to facilitate the implementation of all types of work in the capital.

On behalf of all party members in the party section of Phnom Penh and the cadres, employees, workers, people, and Armed Forces of the capital as a whole, we pledge to translate the resolutions of the fifth party congress into all-round revolutionary activities in the capital so as to successfully carry out all tasks and resolutions put forth by the party congress with a high sense of responsibility, mastery, cooperation, and mutual help in order to defend and build Phnom Penh, making it stronger and more beautiful with each passing day to deserve being the center of all affairs of our beloved PRK.

#### KPRP GOVERNMENT SUPPORTS SOFIA DECLARATION

BK011324 Phnom Penh SPK in English 1129 GMT 1 Nov 85

[Text] Phnom Penh SPK November 1 -- The Central Committee of the People's Revolutionary Party of Kampuchea and the Government of the People's Republic of Kampuchea have voiced full support for the latest declaration of the Political Consultative Committee of the Warsaw Treaty. A joint statement published here Friday says: "The political Consultative Committee of the Warsaw Treaty, meeting in Sofia, Bulgaria, on October 22-23, examined the situation in Europe and exchanged views on key problems in international relations and on cooperation among member countries.

"A declaration unanimously adopted by the conference defines urgent steps to be taken to remove the danger of a nuclear war, improve the situation in Europe and the whole world, ban the militarization of space, and put a stop to the arms race, most particularly the nuclear arms race, so as to bring international relations back to a state of detente, cooperation and peaceful coexistence.

"Considering the growing tension caused in the world by the warlike policy of U.S. imperialism and other reactionary forces, the Sofia declaration of October 23, 1985 is timely, auspicious response to the profound aspirations and vital interests of all peoples and constitutes a vigorous encouragement to their struggle for peace and against the danger of a nuclear war. Coming in the wake of previous peace initiatives taken by the Soviet Union, especially the important proposals made recently by CPSU General Secretary M.S. Gorbachev to the American side preparatory to the forthcoming Soviet-American summit in Geneva, the new, realistic initiatives of the Warsaw treaty members states brilliantly and eloquently prove again the consistent stand of the Soviet Union and other socialist countries in their good will for peace and their noble responsibility to mankind.

"The PRPK, the PRK Government and the Kampuchean people warmly welcome and fully support the Sofia declaration, considering it to be a major contribution to the cause of all peoples for peace, independence, freedom and progress.

"The initiatives contained in the Sofia declaration are in sharp contrast to the stand and acts of the U.S. authorities. The Reagan administration, while speaking about peace, has not given up its efforts to continue the nuclear arms race on earth and in space. At the present General Assembly of the United Nations, the U.S. president has proposed for the forthcoming Soviet-American summit, a 'three-step peace process' to settle 'regional conflicts' in Afghanistan, Kampuchea, Ethiopia, Angola and Nicaragua. This is a perfidious move of the U.S. Government to shirk the responsibility imposed by the main task at the Soviet-American summit, i.e. to find a way to stop the arms race on earth and prevent it from extending to outer space. This American move is also a deliberate distortion of the situation in Afghanistan, Kampuchea and other countries, an intervention in their affairs and the affairs of the regions concerned. It is public knowledge that the aid given to reactionary forces by the Reagan administration and its allies is at the bottom of these conflicts.

"Together with all peace-loving people in the world, the Kampuchean people demand that the United States positively respond to the peace initiatives of the Soviet Union and other socialist countries as contained in the Sofia declaration, that it take a responsible, constructive stand at the forthcoming Soviet-American summit and put an immediate stop to all diversionary tactics.

"Firmly in solidarity with the fraternal people of Vietnam and Laos and closely united with the Soviet Union, with the socialist community and all forces of revolution and peace in the world, the Kampuchean people are determined to advance, in the flush of their victories, to still greater success in defending and rebuilding their country, thereby contributing more and more actively to the cause of peace, stability and cooperation in Southeast Asia and the world as a whole."

#### SUPPLIES SENT TO VIETNAMESE TYPHOON VICTIMS

BK011457 Phnom Penh SPK in English 1146 GMT 1 Nov 85

[Text] Phnom Penh SPK November 1 -- The Kampuchean Red Cross on Friday morning sent a consignment of canned food and blankets to victims of a recent typhoon in Binh Tri Thien Province, central Vietnam. The relief was conveyed to Nguyen Anh Kieu, charge d'affaires a.i. of the Vietnamese Embassy in Phnom Penh, by Mrs Phlek Phirun, general secretary of the National Assembly and Red Cross president, in the presence of Vit Kimseng, minister of public health.



Mrs Phlek Phirun expressed profound sympathy with the victims. She said the relief was modest compared with the immense sacrifices made by the Vietnamese people for the Kampuchean people in liberating their country from the genocidal regime and in surmounting the many difficulties afterward, in national reconstruction. "It's a tradition of the peoples of Kampuchea and Vietnam to share weal and woe," she stressed, adding that the relief was a token of friendship and solidarity.

In reply Nguyen Anh Kieu profoundly thanked the Kampuchean Red Cross for its noble sentiments and timely aid. Despite their own difficulties, he said, the Kampuchean people, strong with their noble and deep sentiments of fraternal solidarity and spirit of sharing with the Vietnamese people even "a bowl of rice" have sent relief to the Vietnamese victims.

#### 10 ENEMY SOLDIERS KILLED IN KOMPONG THOM

BK030720 Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Nov 85

[Text] To ensure and social order as well as defend the people's property and lives to advance production work, the revolutionary Armed Forces, in cooperation with local state authorities, have launched operations to sweep up and destroy refugees of the Pol Pot remnants and have scored remarkable victories. During a 1-week period ending 11 October, militiamen in Stoung, Sandan, and Baray Districts [Kong Thom Province] killed 10 enemy soldiers and wounded a number of others, and seized 4 AK's, a B-40, 3 communication radios, and a lot of war materiel. Realizing these successive and irreversible defeats, six misled persons deserted the enemy ranks and surrendered to state authorities and the people.

#### ATTACK ON 'BANDITS' IN KRATIE KILLS 6

BK040938 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Nov 85

[Text] The authorities, people, militia, and revolutionary armed forces of Kratie Province, in close cooperation with the Vietnamese Army volunteers, recently launched a sweep operation against the remnant Pol Pot-Son Sann-Sihanouk bandits at Chi Mountain, scoring a remarkable success. Among other things, they killed six enemy soldiers on the spot and seized six firearms, a walkie-talkie, and some war materiel. The security forces of Kratie Province are now striving to study various military tactics to improve their combat ability and are heightening their determination to crush all psychological and espionage war maneuvers of the enemies of all colors to help consolidate the local administration and successfully implement all resolutions of the Fifth KPRP Congress.



ARMY POLITICAL DEPARTMENT DELEGATION TO SRV

BK021156 Vientiane KPL in English 0910 GMT 2 Nov 85

[Text] Vientiane, November 2 (KPL) -- A delegation of leading cadres of the General Political Department of the Lao People's Army led by Lt General Siphon Phalikhan, member of the LPRP CC, deputy-minister of national defence, and head of the General Political Department, left here this morning for Vietnam to attend the annual conference of the general political departments of the Lao, Vietnamese and Kampuchean armies. Last year's conference was held in Vientiane.

Seeing the delegation off at Wattai Airport were Major General Ai Soulinaseng, deputy-chief of staff of the Lao People's Army; Colonel Thonglai Kommasit, head of the Foreign Relations Department of the LPA; and other high-ranking officers. Colonel Nguyen Dinh Tran, Vietnamese military attache, and Sonethone, Kampuchean military attache to Laos, were present at the send-off.

RALLY HAILS SOVIET 'ITY GROUP'S CONGRESS

BK041048 Vientiane KPL in English 0911 GMT 4 Oct 85

[Text] Vientiane, November 4 (KPL) -- A rally to hail the success of the first congress of the Lao-Soviet Friendship Association was organized here on Nov 1 with more than 1,500 people attending.

Among those present at the rally were Phoumi Vongvichit, Political Bureau member of the LPRP CC, and vice-chairman of the Council of Ministers; Khamsouk Sai-Gnaseng, member of the party CC, and president of the Lao-Soviet Friendship Association; Vladimir Maslin, vice-president of the Soviet Committee for Peace Fund, and president of the Soviet-Lao Friendship Society; Opop, cosmonaut and hero of the Soviet Union, who is also vice-president of the Soviet-Lao Friendship Society, and other high-ranking officials.

At the rally, Khamsouk Sai-Gnaseng and Popop successively spoke of the great success of the congress, describing it as a contribution to the further strengthening of the friendly relations and cooperation between Laos and the Soviet Union, especially between the two friendship organizations.

OFFICIAL ON UPCOMING GARMENT TALKS IN U.S.

BK040129 Bangkok THE NATION in English 4 Nov 85 pp 1, 2

[Text] Permanent Secretary for Foreign Affairs Asa Sarasin said yesterday that Thailand would consider cutting back on imports of major industrial products from the U.S. due to the economic hardships caused by the embargo on Thai garments imposed by Washington and the price slump of tin and sugar.

In an exclusive interview with THE NATION before he left Bangkok with a team of senior officials for the U.S. yesterday, Asa said he was hopeful that the talks, which will take place tomorrow in Washington with U.S. senior officials from the State and Commerce Departments, will help reduce the damage on Thailand caused by the Oct 8 embargo on Thai garments.

"We will discuss with the American officials ways and means of minimizing the severe damage caused by the Embargo," Asa said. He will also hold talks with U.S. Assistant Secretary of State Paul Wolfowitz.

Asa said "if the worst should come to the worst," Thailand might consider cutting back on the import of major U.S. industrial products, particularly aircraft, "because the country's economic position would not permit such spending."

He said the U.S. embargo came at the worst possible time -- in the wake of the weakness of other major commodities in the world market such as tin and sugar which have brought about adverse consequences on the Thai economy.

"Foreign Minister Sitthi (Sawetsila) is ready to go to the United States any time for talks with the U.S. government if a higher-level delegation is desirable to cushion the economic damage done to us," Asa said. Minister Sitthi decided to dispatch a team of senior officials headed by Asa after having held consultations with Commerce Minister Koson Krairoek last Thursday. He said that it was not possible to ask the U.S. to lift the embargo on garments, but he is hopeful that certain ways to alleviate the situation could be worked out. He did not elaborate.

However, Asa stressed that the immediate concern is over the products, which are on their way to the U.S. and those have already been unloaded at U.S. ports. "We want to discuss these garments. They can not remain stocked there for too long," he said adding that Thailand would urge the U.S. to make use of the quotas for Thailand for 1986 and 1987 so that Thai exporters can fulfill contracts for the last quarter of this year.

He said that the embargo came so suddenly that there was no time for any preparation. "There was no notification in advance. On our part, it was not a deliberate violation of the quotas. Both countries should assume joint responsibility to solve the problem," Asa said. The U.S. government should not allow Thailand, which upholds the free trade system, in the light of its many problems, to face security and economic disasters.

"We must look into the relations in its totality. I am sure that our friendship and goodwill can be reciprocated and the lessening of economic damage," he said. In the past two years, he said, Thai textile exporters have been attracted by the strong dollar which has caused Thai exports to the U.S. to soar considerably.

The permanent secretary also said that the Thai team will seek to negotiate to save the 30 million square yards, which is worth more than 800 million baht, so that the garment export to the U.S. will not be interrupted. The five-member delegation includes Director General of Economic Affairs Danai Dulalampha, Director General of Foreign Trade, Commerce Ministry, Phatchara Itsarasena and two foreign ministry officials.

#### FOREIGN MINISTER COMMENTS ON TRADE WITH USSR

BK041208 Bangkok SIAM RAT in Thai 4 Nov 85 pp 1, 12

[Text] Business circles and the mass media have recently called for increasing trade ties with the USSR, particularly in garments and sport shoes, to provide markets for these products other than the United States, which is trying to enact laws to curb Thai goods. Foreign Minister Air Chief Marshal [ACM] Sithi Sawetsila told SIAM RAT that, in doing business with communist countries -- especially the USSR -- we should separate politics from economics by considering what will most benefit the country.

Regarding politics, ACM Sithi said that the Foreign Ministry's policy is to maintain in principle the nation's sovereignty and security and protect democracy to ensure the country's survival. Another aim of the policy is to provide for the well-being of the people, a good economy, and future progress. "As a result, we want to do business with every country, whether liberal, capitalist, or communist, if it does not harbor any hidden motive. The ministry itself is trying to exploit more markets," ACM Sithi said.

Commenting on the issue of the Soviet desire to buy Thai textiles, the foreign minister pointed out that we must remember that the Soviet people wear different kinds of clothes from those we produce because two countries have such different climates; moreover, we still do not know much about the Soviet market. Thus, he does not know its real intention on this issue. He said: "However, the Foreign Ministry has never objected to the private sector's doing business with any particular country regardless of its ideology. Even though the ministry has been said to oppose trading with Vietnam, it does not prohibit the private sector's doing so. We do not encourage it, however, because of Vietnam's inappropriate behavior."

ACM Sithi expressed his suspicion that we still have other textile markets, such as the EEC and other countries that continue to need textile products, but we do not talk about them. When the USSR offered to buy our textiles, everybody criticized the Foreign Ministry for objecting to trade with this country. Moreover, in The Soviet Union's business dealings, it always adopts a barter system rather than other, generally used methods.

ACM Sithi added that, to solve the textile problems facing us, we have sent Permanent Foreign Secretary Asa Sarasin and other officials concerned -- such as Danai Dulalampha, director general of the Foreign Ministry's Economics Department, and Phatchara Itsarasena, director general of the Commerce Ministry's Foreign Trade Department -- to the United States for negotiations. He said that "the delegation received its assignment directly from me, especially Asa Sarasin, whom I have assigned as my special envoy in the negotiations. He is empowered to represent me in all matters during the negotiations. I have answered their letter. They said that they will also resort to a political approach to the problem. I told Shultz (George P. Shultz, U.S. secretary of state) that, when we are in trouble because of economic adversities, it should not be allowed to worsen because of pressure from political groups."

ATHIT ORDERS ALERT ALONG BURMESE BORDER

BK050155 Bangkok THE NATION in English 5 Nov 85 p 3

[Text] Supreme Commander Gen Athit Kamlang-ek has ordered all Thai military units guarding the Thai-Burmese border to be on alert in anticipation of a spill-over in fighting between the Karen rebels and the Burmese government troops, a senior army official said. Commander of the Third Army Region Lt Gen Ruamsak Chaikomin said the rebels of the Karen National Liberation Army (KNLA) are currently battling with the Burmese government forces along the Thai-Burmese border opposite Tak province. He said, so far the fighting was confined within the Burmese border.

Commenting on reports that some western mercenaries had been involved in the Karen war against the Burmese government, the commander said he was unaware of them but he had ordered the Thai soliders to strictly control access along the frontier.

Lt Gen Ruamsak said the recent demonetization of the Burmese high-denomination currency notes has affected the business along the Thai-Burmese frontier and so far he was unaware of a reason of the Burmese announcement.

The Burmese government Sunday demonetized high value currency notes of the 20, 50 and 100 Kyats and holders have to surrender the notes within the end of this year.

POLICE ARREST 'LEADING COMMUNIST INSURGENT'

BK010225 Bangkok BANGKOK POST in English 1 Nov 85 p 3

[Text] Nakhon Si Thammarat -- A man believed to be a leading communist insurgent and a relative of a top communist suspect was arrested yesterday morning in Chawang District of this southern province, police said. According to police the suspect was identified as Li Chong, 58, alias Dam, and was sent to the Fourth Army Region Headquarters for questioning. He was arrested at Mitthai hotel in the Chawang district while surveying the village, police said.

According to the Fourth Army sources, the suspect is the father-in-law of alleged key communist leader Wirot Chongchit who was arrested with three others last September 17. They are being held at the internal Security Operation Command headquarters in Bangkok. Police said Li Chong surrendered to government authorities five years ago but later joined the Communist Party of Thailand again.

The group, Wirot Chongchit, alias Damrong; Iam Khamnu-in, Sathit Khainana and Praphat Muaidi who were arrested in September 17, along with Li Chong, are on record as provincial-level insurgents of the CPT, responsible for supervising insurgency in this province, Surat Thani, Trang and Krabi.

2 'COMMUNIST INSURGENTS' KILLED, 1 CAPTURED

BK310209 Bangkok BANGKOK POST in English 31 Oct 85 p 3

[Text] Pattani -- Two communist insurgents were shot dead and one was captured after a brief gunfight with policemen in Sai Buri District early yesterday. The three were among seven insurgents who were preparing to kidnap the manager of a tin mine at Kalupae village in Tambon Trokbon.



MALAYSIAUSSR DEPUTY PRIME MINISTER BEGINS 5-DAY VISIT

HK011532 Hong Kong AFP in English 1521 GMT 1 Nov 85

[Text] Kuala Lumpur, Nov 1 (AFP) -- Soviet Deputy Prime Minister Yakov Ryabov arrived here today for a five-day official visit and said he hoped to expand political and economic ties with Malaysia. Mr Ryabov, the highest ranking Soviet official to visit, is to hold talks with Prime Minister Mahathir Mohamad tomorrow, Malaysian officials said.

"We are pleased to note that there has been an invigoration of relations between our two countries," Mr Ryabov, who is responsible for the Soviet Union's foreign economic relations, said in a statement issued soon after his arrival. Official sources here said that they expected Mr Ryabov to press for a reduction in Moscow's more than 100 million Malaysian dollars (42 million U.S.) trade deficit with Malaysia. The Soviet Union imports mostly natural rubber and palm oil from Malaysia.

Mr Ryabov was accompanied by a seven-member delegation that included Soviet Deputy Minister for Foreign Trade Ivan Grishin.

Talks With Mahathir

BK020841 Kuala Lumpur International Service in English 0800 GMT 2 Nov 85

[Text] The Soviet Union has offered technical cooperation in various fields, especially in the mining of tin. The visiting Soviet deputy prime minister, Mr Yakov Petrovich Ryabov, made the offer during his discussions with Prime Minister Datuk Sri Dr Mahathir in Kuala Lumpur today. Datuk Sri Dr Mahathir showed interest in the tin offer as it would allow tin to be mined in marginal mines.

According to the deputy foreign minister, Mr Kadir Sheikh Fadzir, the Soviet deputy premier encouraged Malaysian businessmen to import more from the Soviet Union to improve the balance of trade, which is now in Malaysia's favor. Mr Ryabov extended an invitation from the Soviet leader Mr Mikhail Gorbachev to Datuk Sri Dr Mahathir to visit the Soviet Union. The prime minister accepted the invitation and will visit the Soviet Union at a convenient time. The political issues discussed by both leaders included Kampuchea, Antarctica, and disarmament.

Meets Trade Minister

BK040631 Kuala Lumpur Interpzwonal Service in English 0600 GMT 4 Nov 85

[Text] The minister of trade and industry, Tengku Razaleigh Hamzah, and the visiting Soviet deputy prime minister, Mr Yakov Petrovich Ryabov, have discussed greater prospects for bilateral trade, including direct trade at a meeting in Kuala Lumpur this morning. The Russian minister is leading an 8-member delegation. A spokesman of the Ministry of Trade and Industry said Tengku Razaleigh proposed that the Soviets make use of the Malaysian freight booking centers as agents for the carriage of goods between the two countries. He also asked the Soviets to consider purchasing Malaysian goods direct from the country, instead of through Singapore or London as was the current practice. The Russian deputy prime minister was also urged to intensify promotion activities for Russian products in the country besides distributing pamphlets and organizing exhibitions.

At their meeting in Kuala Lumpur this morning, the visiting delegation also presented proposals for economic cooperation between the two countries. The visiting Soviet deputy prime minister later called on Datuk Musa Hitam. The two leaders discussed various topics, including bilateral issues. Earlier this morning, the Soviet delegation visited the Proton Saga [Malaysian car] manufacturing plant in Shah Alam.

#### Talks With Foreign Minister

HK041017 Hong Kong AFP in English 1007 GMT 4 Nov 85

[Text] Kuala Lumpur, Nov 4 (AFP) -- The Cambodian conflict figured prominently in talks here today between visiting Soviet Deputy Prime Minister Yakov P. Ryabov and Malaysian Foreign Minister Tengku Ahmad Rithauddeen. Mr. Rithauddeen told journalists after the meeting that he briefed the Soviet leader on efforts by Malaysia and the Association of Southeast Asian Nations (ASEAN) to find a peaceful solution to the seven-year Cambodian problem.

"All the countries in the world have the obligation to solve the problem for the benefit of the Cambodians and also for the benefit of the region," he said. He said he told Mr. Ryabov that the presence of Vietnamese troops in Cambodia is a great threat to countries in the region, especially neighbouring Thailand.

"We have asked the Soviets to use their influence in any way possible to urge Vietnam to withdraw its troops from Cambodia," he said.

He said that he told the Soviet leader that it was crucial that every country did its best to solve the Cambodian problem, with the precondition to allow the Cambodians the right to determine their own future. Mr. Rithauddeen said that the Soviet leader did not respond to his request to use their influence on the Vietnamese.

"We also discussed regional as well as bilateral issues, mainly trade whose balance is in our favour," he said.

Earlier, Mr Ryabov, the first high ranking official to visit Malaysia since the two countries established diplomatic relations in 1967, had discussions with Trade and Industry Minister Tengku Razaleigh Hamzah. In the 45-minute discussion, Mr Ryabov presented a list of products which Malaysia could buy to redress the trade imbalance. Malaysia's figures show that its exports of mainly palm oil, rubber and tin totalled 198.4 million U.S. dollars while importing mainly fertilisers, machinery and equipment totaling 17.2 million U.S. dollars from the Soviet Union. Mr Razaleigh said the Soviets suggested that Malaysia could purchase metallurgical products and steel pipes. Mr Ryabov, who arrived here last Friday earlier had talks with Prime Minister Dr Mahathir Mohamad, and his deputy Musa Hitam.

#### Urges End to Cambodian Problem

HK050730 Hong Kong AFP in English 0712 GMT 5 Nov 85

[Text] Kuala Lumpur, Nov 5 (AFP) -- The Soviet Union today joined Malaysia in calling for an early end to the nearly seven-year-old conflict in Cambodia, Soviet Deputy Prime Minister Yakov Ryabov said here.

Speaking to newsmen at the end of a five-day official visit, Mr Ryabov said the recent Indochinese foreign ministers' meeting had "reflected the mood" to settle the conflict.

The foreign ministers of Vietnam, Laos and Cambodia said last month that the conflict should be resolved soon for the sake of all concerned. Mr Ryabov maintained there should be no "external interference" in Cambodia. He did not elaborate, but he was apparently referring to the United States, as the six-nation Association of Southeast Asian Nations (ASEAN) has asked Washington to play a leading role in seeking a political solution in Cambodia.

Malaysian Foreign Minister Tengku Ahmad Rithauddeen yesterday asked the Soviet Union to use its influence to urge Vietnam to withdraw its estimated 150,000-180,000 troops from Cambodia. Mr Ryabov meanwhile said he had asked for Soviet participation in industrial projects in Malaysia relating to tin, copper, petroleum and mining activities to help boost bilateral trade.

At present, the balance of trade is in Malaysia's favour with its exports, mainly palm oil, rubber and tin, totalling 198.4 million U.S. dollars, and imports of mainly fertilisers, machinery and equipment totalling 17.2 million U.S. dollars.

Speaking through an interpreter, Mr Ryabov said the Soviet Union could accept Malaysian primary commodities as payment for their participation in Malaysian projects.

On his meeting with Malaysian Prime Minister Mahathir Mohamad, he said that international issues such as efforts to curb the arms race, reduction of nuclear armaments and the non-militarisation of space were discussed. He said both sides were very frank in their discussions, especially on the need to reduce conflicts in Southeast Asia, the Asian region, the Pacific Basin and other parts of the world.

Mr Ryabov said he had pointed out to Mr Mahathir that the Soviet Union was committed to strive for peace but "the other side (United States) did not give a positive response to our initiative." He said that Dr Mahathir's acceptance of Soviet leader Mikhail Gorbachev's invitation to visit the Soviet Union would lead to a further increase in trade between the two countries.

Mr Ryabov, the highest-ranking Soviet official to visit Malaysia since the two nations established diplomatic relations in 1967, had talks with Deputy Prime Minister Musa Hitam, Trade and Industry Minister Tengku Razaleigh Hamzah and Foreign Minister Rithauddeen.

#### Singapore

#### Lee Kuan Yew Departs for Visit to Taiwan

HK050942 Hong Kong AFP in English 0933 GMT 5 Nov 85

[Excerpt] Singapore, Nov 5 (AFP) -- Prime Minister Lee Kuan Yew left today for Taipei for his first officially announced visit to Taiwan, which has cordial relations with Singapore but no formal diplomatic ties. Both the Foreign Ministry and Mr. Lee's office, which made the announcement several hours after he left, declined to give any explanation for the visit or details of his programme there except to say that he would be back tomorrow. Diplomatic sources said the visit was probably a gesture to reassure Taiwan about Mr. Lee's 13-day visit to China in September.

Singapore, which has strong anti-communist views, formalised its traditional trading ties with China in 1981 with the opening of commercial representative offices in the two capitals. Singapore maintains a similar status with Taiwan.



MARCOS SETS PRESIDENTIAL ELECTION FOR 17 JANUARY

HK050007 Manila Far East Broadcasting Company in English 2300 GMT 4 Nov 85

[Text] President Marcos yesterday [ 4 November] declared that the presidential election will be held on January 17, but the contest will only be for the presidency. He said there will be no election for the vice president, because the issue is Marcos. The president emphasized that the elections should be on a one-on-one basis. Mr Marcos announced this in an interview with newsmen during his surprise visits to Tarlac and Nueve Ecija yesterday. He said he will call a caucus of the KBL on November 10 to get a consensus from the party leaders on the plan to hold snap elections.

President Marcos said the election for a vice president may be held together with the local elections in May 1986. The chief executive also denied reports that there is outside pressure in making the decision to call an earlier presidential election. He said the primary reason for the snap polls was to resolve the fundamental issues which may affect the effectivity of the institutions of the government as well as the Armed Forces.

In Tokyo, the first lady, Mrs Imelda Marcos, yesterday said she will not run as vice presidential candidate in the special election her husband called for January 17. In an exclusive interview with the nationwide daily ASAHI SHIMBUN, Mrs Marcos said her husband decided to hold the election ahead of schedule to clear misunderstandings in the United States. Mrs Marcos arrived in Tokyo last Friday for an unofficial visit. She said she did not know if the post of vice president would be at stake. Even if it is so, she does not have the intention to run.

Members of parliament yesterday gave varied reactions to the holding of snap presidential elections. Assistant majority floor leader Salacmid Bateria said the snap election is good for the country. On the other hand, Member of Parliament Emilio Marcia said it would be very expensive to have a snap presidential election in January, and then hold another for local elections in May. However, Marcia said he will abide by whatever decision the KBL will take on the question.

Member of Parliament Sempriso Domingo said all these talks about a snap presidential election were started by the opposition, and he felt glad that the president has accepted the challenge.

Meanwhile the opposition has varied reactions to the announcement by the president of the holding of a snap presidential election in January. Opposition leaders insist that they will face Mr Marcos in the election contest only if he resigns first as president. Unido [United Democratic Nationalist Organization] President Salvador Laurel and Liberal Party leader Eva Estrada Kalaw said they will support Mrs Cory Aquino if she passes the criteria as a common opposition candidate. The other opposition leader, former Senator Jovito Salonga, said a snap election can be held only if President Marcos first resigns from office.

The Commission on Elections [Comelec] is ready for the snap presidential election as announced by the president. Comelec Commissioner Jaime Pinon said the poll body would implement any law the Batasang Pambansa would pass on the snap election or poll directives which would be issued by the President. The Comelec also assured that the election will be fair, honest, clean, and orderly.

## Explains Election Decision

HK041426 Manila BULLETIN TODAY in English 4 Nov 85 pp 1, 12

[Text] President Marcos announced last night his plan to call special or "snap" elections for president and vice president "or for president only" in January 1986. The President made the dramatic announcement during an interview in the ABC television program "This Week with David Brinkley" beamed live via satellite to millions of viewers in the United States.

The President said he was calling the unscheduled polls primarily to resolve fundamental issues which have been raised and which may affect the effectiveness of the institutions of government, including the armed forces. Moreover, he said, the snap elections would give the legitimate political opposition the opportunity to unite themselves and field a common candidate.

The Chief Executive was alluding to a statement from Mrs. Corazon Aquino, widow of slain oppositionist Benigno Aquino Jr., who said that she would consider uniting the divided opposition and running for president only if snap elections were to be held and if her supporters could deliver the promised one-million signatures in the move to draft her. The President said the elections for local officials will be held as scheduled in May 1986.

In a post-telecast interview with newsmen, the president said the ruling Kilusang Bagong Lipunan (KBL) will call a party caucus before the Batasang Pambansa resumes its regular session on Nov 11. The President said he will seek the advice of the caucus but will exert his influence to bring about such snap elections "as soon as possible." The President said he could issue a decree or an order similar to an order for dissolution of Parliament under Article VIII, Section 13 of the Constitution, which empowers the President to dissolve Parliament whenever the need arises for a popular vote of confidence on fundamental issues. After the caucus, he said, he will issue the decree which would broaden the reasons provided for in the Constitution governing the calling of special elections.

Article VII, Section 9 of the Constitution provides for the calling of special elections in case of permanent disability, death, removal from office or resignation of the president. In the projected decree, a fifth reason for calling special elections will be added: "If, in the judgment of the President, there are fundamental issues which may raise any instability in government or prevent the proper functioning of any of its institutions, and the President in his judgment feels that this must be immediately submitted to the people for decision, the President may call a referendum, plebiscite or special elections for president and vice president, or only for president as in his judgment may be necessary, during which period he shall continue performing the functions, powers and duties of president to prevent a hiatus in government during the period from the time he calls special elections to the time the winning candidate is proclaimed and takes his oath of office as president of the Philippines."

He said the rules in the Constitution and the new election code governing regular elections for president and vice president shall be followed. The President is empowered to issue the decree on snap elections under Amendment No. 6 to the Constitution, which states:

"Whenever in the judgment of the President, there exists a grave emergency or a threat or imminence thereof, or whenever the regular national assembly fails or is unable to act adequately on any matter for any reason that in his judgment requires immediate action, he may, in order to meet the exigency, issue the necessary decrees, orders or letters of instructions, which shall form part of the law of the land." The President said he will submit the matter of the elections to the members of the Batasang Pambansa for consultation with the request that it be incorporated in the new election code.

## Reaction in Parliament

HK041051 Manila Far East Broadcasting Company in Tagalog 1000 GMT 4 Nov 85

[Excerpt] There were mixed reactions from various members of parliament over Marcos' announcement of a snap election to be held in January next year. M.P. Jose Rono said that the announcement was approved of by the opposition who have been calling for a snap election since last year. But he added, that it now seems strange that some opposition members do not seem to be enthusiastic about the announcement. He also derided speculation that the snap election is being called because of pressure from the IMF.

Several opposition MP's have expressed support for Marcos' decision to hold a snap election. Litero Atienza and and Eva Estrada Kalaw have said such an election is overdue because the people want a change. However former Foreign Minister Arturo Tolentino said the holding of a snap election next year would be too costly for the government. He said such a move would adversely affect the government's national recovery program. Tolentino added that he will urge his KBL colleagues to ask the president to reverse his decision on a snap election.

## Election Commission To Meet

HK050449 Quezon City Maharlika Broadcasting System in English 0400 GMT 5 Nov 85

[Text] The Comelec [Commission on Elections] is meeting en banc within this week. The poll body will take up matters related to the snap presidential election. Comelec Chairman Victorino Savellano said that the poll body is now preparing all the necessary election paraphernalia. He gave the assurance that the Comelec, including its regional and provincial registrars, are ready for the snap polls within 60 days.

## Invitation to U.S. Observers

HK050903 Quezon City Maharlika Broadcasting System in English 0800 GMT 5 Nov 85

[Text] President Marcos today repeated his invitation to U.S. congressmen and members of the American media to come to the Philippines and see for themselves the conduct of the snap presidential election. The snap polls are tentatively set for January 17 next year. More on that story from Bert Asuge:

[Begin recording] In extending a [words indistinct] invitation, the chief executive said the American lawmakers and mediamen are all invited to come and observe the presidential polls next January. The president expressed confidence that with poll observers [words indistinct] free presidential election, opposition claims that election irregularities will be [words indistinct] once and for all. [words indistinct] complaints have been made on alleged election frauds, the chief executive said the opposition would [words indistinct]. On the other hand, Mr Marcos said the opposition [words indistinct] their duty if they [words indistinct] on the government for having consciously or unconsciously aided the New People's Army during the last election for the Batasang Pambansa.

According to the president, the international [words indistinct] that will come to the country for the snap presidential poll [words indistinct] whether or not election poll-rigging is committed by the rebels. They can also look into the disenfranchisement (after) the NPA, the president added. [end recording]



## Valencia on Election

HK050415 Quezon City Maharlika Broadcasting System in English 0100 GMT 5 Nov 85

["Analysis of the News" by Teodoro Valencia]

[Excerpts] As we all know, President Marcos announced that there will be a snap election sometime in January, mid-January, 1986. [sentence indistinct]. So now people are beginning to wonder whatever provoked the announcement.

Yesterday during talks by [words indistinct] persons at the Kapihan sa Manila [Manila Coffeeshop], leading lights of the KBL and the opposition tried to find out what the president means, what he intended really to do. [words indistinct] former Foreign Minister Arturo Tolentino said that he was going to persuade President Marcos to change his mind. because a snap election at this point in time will not do anything for the country, on the contrary [words indistinct] another economic problem, considering that another election within 6 months of each other would have to be called.

Speaking for the KBL, Deputy Prime Minister Jose Rono said if President Marcos were provoked into making the announcement, it was because of the never-ending challenge coming from the opposition side. [words indistinct] the opposition [word indistinct], they are, in a manner of speaking, trying to get out of the predicament [words indistinct]. If President Marcos will not resign, according to some opposition leaders, there will be no point in running against him in a snap election because the election itself could be nullified by the Supreme Court.

The constitutional provision is very unclear about the power of the president to call for special elections, because the constitution provides that a special or snap election would be called only in the event that the president of the Philippines became incapacitated, resigned, died or was removed from office by one method or another.

You know, the way I size it up, people are not ready for a snap election although everybody was calling for a snap election previous to this sudden announcement by President Marcos. Now let us suppose that the snap election is an idea coming from Washington, D.C., from the United States, that this is the wish of the American people expressed through their leaders and through their Congress. Has it never occurred to the Americans that a democratic Constitution exists in the Philippines and that the method of succession is [words indistinct] enumerated in that Constitution? Do the Americans think that the Philippine Government will do anything that the Americans dictate regardless of the implications of such moves, in total rejection of the conditions of the democratic Constitution of the Republic of the Philippines?

Well, there's no doubt in the minds of people who have been watching, reading, following the developments in Washington and Manila, that a tremendous pressure is being mounted against President Marcos by the American Government, the American press, and indeed by the American people.

I think something is wrong somewhere. If this country is to be completely at the tender mercies of the American Government, if we were to do everything that they want us to do, why don't we surrender the government to the Americans and they can take the blame for whatever they do [words indistinct] of creating a situation [words indistinct] because we are being told what to do and when to do what it is that they want done.

Let us not forget that the track record of the United States as a dictator is nothing worse than dismal. Chile, Nicaragua, Vietnam, Cambodia, South Korea, and some other countries, not the least of which is Iran, countries where America intervened and had their [words indistinct]; the end was disaster for everybody, including the Americans [words indistinct] the errors that they commit. [passage indistinct]

In connection with the same subject of the snap election, people are wondering -- because of what the president said during that interview with David Brinkley -- does this election mean electing a president only, or the president and the vice president? Mr Marcos himself said it could be only for president, the implication being that the election for a vice president would come when the time for reelecting members of the Batasang Pambansa we don't know. Now if the election were to be only for president and no vice president, then this would have the effect of a vote of confidence for President Marcos. In other words, a victory for him would be only a vote of confidence, and if he were defeated, then that would be tantamount to a public repudiation of his administration and his person.

At this point in time I personally am against a snap election because I think it would be too expensive and too pointless at this point in time. It is also most humiliating for this country if it seems that we are going to do this because the Americans are imposing this condition upon us, on an or-else basis. In other words, they are not going to help us economically if we do not follow what we are told. But even if this were so, then the consequences will be serious for this country. I think it's a matter of national honor that we maintain the dignity of the republic [words indistinct] the consequences of defying their wishes.

I was talking to a Japanese newsman yesterday morning and I told him, well, if [words indistinct] Japan, sooner or later the Japanese would find themselves in the same position that we are in. [words indistinct] because the Japanese cannot withstand a situation similar to what we are going through now. Fortunately for the Filipinos, we have vast natural resources and in the hinterlands we don't need money to survive. This is not true in Japan because the natural resources of the Japanese are very much less than of their national needs and they cannot live without trading; and if the Americans were to threaten their life-line by withholding the privileges, their trade with the United States, then the Japanese would have to surrender all over again and do what they are told.

[Words indistinct] what is happening in the Philippines could be the end of ASEAN, especially because of what appeared in NEWSWEEK magazine that the present predicament of the Philippines was an offshoot of a visit by Prime Minister Lee Kwan Yew of Singapore to Washington, D.C. NEWSWEEK magazine inferred or hinted or said indirectly that it was Le Kwan Ye who suggested to President Reagan to put the pressure on the Philippines to do what we should do on an or-else basis. In other words, tell President Marcos to do what he is told to do or else he will be removed personally by the Americans. In other words, the American press is telling the world that the ASEAN leaders themselves are not in agreement on what is good or believe in what is good for ASEAN, and that the leaders themselves are jealous of one another [words indistinct], on what should be done in the region.

If we accepted the present plan of the Americans -- the game-plan, as we call it, then ASEAN might as well be forgotten and the books closed. Then there is no future for us [words indistinct].

#### EX-VICE PRESIDENT ASKS FOR GOVERNMENT SUPPORT

HK050310 Manila Far East Broadcasting Company in English 2300 GMT 4 Nov 85

[Text] Former Vice President Fernando Lopez called on the Filipino people yesterday [4 November] to support their government in its efforts to preserve peace and order.

He said in a radio interview in Iloilo City that the people must support their government even if they are against some of its leaders. At the same time, the former vice president, a member of the Lopez clan which has opposed President Marcos, urged government functionaries to exert more efforts in improving the economy of the country. Mr Lopez also said he is no longer in the political fray but will only exercise his right to choose the best candidates. Mr Lopez, whose term as vice president was cut short by martial law in 1973, also assailed the continued bickering among opposition and government leaders which, he said, is not conducive to the national interests.

#### SOVIET EMBASSY DENIES STAFF GROWTH, REBEL AID

HK050844 Hong Kong AFP in English 0835 GMT 5 Nov 85

[Text] Manila, Nov 5 (AFP) -- The Soviet Embassy here today denied a U.S. allegation that it was enlarging its staff and making indirect offers of help to Filipino communist rebels through a Moscow-backed labor federation. President Ferdinand Marcos and the Foreign Ministry have also denied the report made for the U.S. Senate's Select Committee on Intelligence, which said Moscow had begun positioning itself to offer support to New People's Army (NPA) rebels.

The report, made public in Washington last week, said Moscow had enlarged its Manila Embassy staff and was making indirect contacts with the NPA through local unions affiliated to the World Federation of Trade Unions (WFTU). "Look at the statements of President Marcos and the first lady in the newspapers. That is enough and more convincing than any embassy staff can give," mission First Secretary Victor Samoilenko told AGENCE FRANCE-PRESSE. Mr. Marcos, in an interview with the U.S. television network ABC said on Sunday: "I don't believe there has been any increase in the personnel of the Russian Embassy since they established their embassy here several years ago. "We cannot confirm any attempt on the Russians trying to contact our insurgents," he added.

Acting Foreign Minister Pacifico Castro told the DAILY EXPRESS newspaper that there were only 17 Soviet diplomats accredited by Manila at the moment and that not more than 37 may be assigned here at any one time. He said there has been no dramatic rise in the number of Soviet diplomats to indicate increasing Soviet intelligence-gathering activities here. Mr. Samoilenko also pointed to Soviet President Andrey Gromyko's assurance to Mr. Marcos' wife Imelda during her visit to Moscow last week that the Soviet Union would not interfere in the local communist rebellion. The head of the three WFTU-affiliated labor federations in the country, Bonifacio Tupaz, also denied the Senate report, saying they have never been approached by Soviet diplomats or NPA rebels. The report said that while the insurgency was basically indigenous and spawned by economic hardship and popular resentment of Mr. Marcos, the 16-year-old NPA may now be forced by its growing numbers to look outside for arms and supplies. Directly at stake for Washington in the country are two large U.S. military bases that cover the Pacific and Indian Oceans.

#### METRO MANILA TIMES ON SOVIET RELATIONS

HK041129 Manila METRO MANILA TIMES in English 1 Nov 85 p 4

[Editorial: "Era of Goodfeeling"]

[Text] It has been said that the current visit, as well as earlier visits, of the First Lady, Mrs Imelda Romualdez Marcos, to the USSR will inaugurate an era of good feelings, or friendship, for the Philippines and that vast and in many ways enigmatic land of the Russian people.



This will be good for both countries, especially if more and more Filipinos and their counterparts in the Soviet [Union] could exchange visits. Often, the most direct and most effective way of understanding people and nations is personal interaction between the peoples and countries involved. This in fact has been demonstrated by the journeys made by Mrs Marcos to the USSR. The warm welcome given her, the admiration expressed for her, and the warmth and congeniality arising from her encounters with the Russians, both officials and the rank and file, become the vicarious experience of her countrymen, who can only feel good about this adventure in discovery of new friends and mutuality of interests.

The strengthening of friendly ties between the Philippines and the USSR should contribute greatly to the preservation of peace and understanding in Southeast Asia. There can hardly be any hostilities or hostile intentions coming from Russia for a region where one of the countries is a great and good friend of the Soviets.

#### BULLETIN TODAY CRITICIZES BOSWORTH SPEECH

HK041407 Manila BULLETIN TODAY in English 4 Nov 85 p 6

[Editorial: "A Discordant Note"]

[Text] There's something undiplomatic in the way Ambassador Stephen Bosworth exposed the killing of 15 Americans in this country in the past two years. It's as if it was meant to dramatize a much bigger motive than merely seeking justice for the victims. Somehow, there's a discordant ring to it as far as harmonious relations between the two allies are concerned.

First, the U.S. media resuscitated old issues of alleged human rights abuses by Philippine military and police forces. Then, Washington expressed concern over the "civil war" that could break out unless the Manila government implemented reforms fast enough to please U.S. officials dispensing economic favors. Third, the U.S. media insinuated that the communist New People's Army strength is expanding at a faster rate than what the Philippine authorities are willing to concede.

Which brings us back to the "revelations" by Mr Bosworth and what he hoped to achieve by publicizing the killings without first courting the issue through official channels to enable the Philippine government to respond in the same forum on the same day. We can't help feeling that the ambassador was out to really embarrass the Philippines.

The day after his speech before the Philippine Bar Association, major U.S. newspapers, as if alerted in advance, carried more details and background information from official Washington sources in their news accounts. These publications printed big headlines, creating massive embarrassment for and damage to the reputation of this country. It was a neatly executed "hit job."

Ambassador Bosworth obviously succeeded in making Americans feel it's no longer safe for them to travel to the Philippines, and less expect protection and justice from its government.

This has raised speculations in the U.S. that the 15 Americans were victims of official repression and unchecked violence. One couldn't avoid the impression, if one were an American, that the Philippines is fast shaping up to be another Beirut where terrorists indiscriminately kill Americans, or a post-Shah Iran where fanatics slaughter U.S. nationals. Americans are being primed to believe that they will be the principal targets of wanton killers in Manila for political or mercenary motives.

We have it on good authority, however, that most of these 15 Americans were victims of common crimes such as robbery and burglary. This is not to condone the crimes but we must emphasize that these victims were not singled out by the killers because they were Americans or that they were killed while Philippine authorities were looking the other way. As a matter of fact, several of the victims, we were informed, were Filipinos who had become American citizens but who decided to spend their twilight years here.

Which brings us back to our original question about the motives of the U.S. ambassador. We were disturbed by his remarks where he said, "my countrymen find it hard to understand how these killings could occur -- and pass unpunished -- in an allied country?" Could the ambassador have forgotten that between 1947 and 1977, there were at least 52 Filipino civilians killed by trigger-happy U.S. Marines in the two American bases? And that the majority of these killings have remained unsolved to this day because the U.S. base commanders allowed the accused Americans to be reassigned in the U.S. where they are beyond the reach of Philippine laws?

We agree that seeking justice for the 15 Americans is the duty of Mr Bosworth as his country's ambassador. But appearing self-righteous and imputing official inaction or even hinting condonation of these killings by the Philippine government is an unfriendly gesture. We strongly feel that Mr Bosworth owes the Philippines and the Filipinos an apology at the very least.

#### TIMES JOURNAL ON BASES ACCORD CLARIFICATION

HK041556 Manila TIMES JOURNAL in English 2 Nov 85 p 6

[Editorial: "When What Is Clear Isn't Clear Enough"]

[Text] In his exchange of views with a group of American visitors at Malacanang the other day, President Marcos spoke on the RP [Republic of the Philippines]-U.S. military bases agreement and the problems it continues to inflict on Philippine-American relations. That the President devoted a substantial portion of his opening remarks to the group was a solid indication of the value he attaches to our friendship with the United States and his concern with the problems that tend to diminish it. He tried to minimize such differences by saying that they were no more than the usual spats. But then these could impair even the most healthy of relationships.

Recent developments have shown the capacity of some hotheads -- both in Manila and in Washington -- to capitalize on even the slightest hint of discord to promote a full-blown controversy, the results of which we all may regret later. That proposal at the Batasang Pambansa to abrogate the bases agreement in retaliation for the passage of the Jenkins bill in the U.S. Senate and the shrill cries of some American officials for the transfer of the bases to other Pacific areas for one reason or another are just two examples of how far these hotheads can go, all in the name of national interest.

Reports on that Malacanag meet quoted the President as implying that he wanted the bases agreement renegotiated to crystallize heretofore nebulous issues. For one, Mr. Marcos wanted a clearer definition of the respective obligations of both countries under the pact. The President zeroed in on the so-called compensation package in the pact. In the renegotiation of the treaty that ended in June 1983, amendments were made to the original pact of 1947 to give the Philippines explicit sovereignty over the U.S. bases and to grant the country \$900 million over a five-year period starting 1984, consisting of \$125 million in military assistance, \$400 million in economic support fund and \$300 million in foreign and military sales credit. It was no mean victory for the Philippine negotiators; the amount was \$500 million more than the Philippines was getting before the negotiations.

But even the most carefully planned moves are not necessarily perfect, especially when one looks back. And the results of even seemingly harmless oversights can be very harmful. Two things were overlooked: there was no specific agreement on how the compensation should henceforth be described—aid or rental; there was no specific agreement on how binding on the U.S. would the agreement on the compensation package be. The second oversight was almost immediately made manifest. In the joint statement issued by the two governments during the signing of the memorandum of agreement on the amendments, mention was made of President Ronald Reagan's letter to Mr Marcos expressing the "intent" of the executive branch of the U.S. government "to make its best efforts" to obtain the money provided for in the agreement. The letter also explicitly said that the appropriations were "subject to the United States' congressional approval." It was a very clear statement that while the executive department considered itself bound by the agreement, the same department said the final say rested on the American Congress.

The repercussions of the first flaw became evident much later when some American lawmakers started trying to alter the make-up of the compensation package, a similarly clear indication that the Americans did not consider the amount as rental but rather as aid whose mix they are free to change as they please.

The acrimonious debates that followed have shaken the very foundations of our society and these developments have been seized upon by the enemies of the years-long friendship between the two countries. They continue to this day and it would be well for Washington to consider Mr Marcos' proposal for a clarification of these onerous provisions of the treaty once and for all.

Our negotiators must prepare for this endeavor this early so that there would be no more oversights whose consequences may far be worse than what we have so far experienced. The future of the relations between Washington and Manila may well depend on how both governments will handle the negotiations.

#### VALENCIA ON PROBLEMS IN COMBATING SUBVERSIVES

HK030217 Quezon City Maharlika Broadcasting System in English 0100 GMT 3 Nov 85

["Analysis of the News" by Teodoro Valencia]

[Text] President Marcos has been quoted in THE NEW YORK TIMES and others of the American press that the Philippine insurgency situation can be resolved within a year, in other words, the military, the Armed Forces of the Philippines, can subdue the New People's Army and all other rebel forces in the country within 1 year, if the government decides that is the thing to do.

The problem is that the government has been holding back purposely; they have been trying to prevent total war with the rebel forces, the reason being that the economy is not that good. For as long as the economy is this bad, it would be unwise on the part of the government to go all-out to eliminate the New People's Army or any other rebel forces in the country, because a total war against subversives could provoke a civil war that nobody wants. But after we shall have recovered from the economic slump, it will be time enough for the government to do something about the insurgency.

Unfortunately however, many members of the opposition, even the clergy, have been encouraging the subversives to the point where it has become very difficult recently to distinguish between rebel forces belonging to the Christian left and those who belong to the non-Christians or the communists on the far left.



It has also been difficult to distinguish between what some politicians say is their view of the situation in the Philippines today, and what they really want, because too many people have been giving support to the enemies of the Republic, not because they are communists, not because they are inclined to rebellion, but because they feel that it may weaken the authority of the state, the authority of the administration of President Marcos, then it will be more easy for them, much easier, to ascend to power and eventually become the heads of government of this republic.

I think from this [words indistinct] one thing stands out, that the majority of the Filipino people prefer the democratic system. They will not allow the government to suppress the democracy, nor will they surrender their freedoms to any enemy of the republic, because the Filipino's love for democracy is his own.

#### AGRICULTURE OFFICIAL MEETS JAPANESE DELEGATION

HK311543 Quezon City Maharlika Broadcasting System in English 1000 GMT 31 Oct 85

[Text] Agriculture and Food Deputy Minister Domingo Panganiban today requested a Japanese delegation to convert the 25,000-hectare Candaba Farms in Pampanga into productive farms. The Japanese team is here to review the flow of past grants-in-aid provided to the country. In the meeting with the group, Panganiban said the swampland is a wasteland waiting to be tapped for productivity. He said the projected grant would be about \$100 million mainly for agrarian (?design) to bring flood waters towards Bulacan. Panganiban told [words indistinct] that the swampland could be tapped for the planting of vegetables, corn, and rice.

#### JAPAN APPROVES FINANCING OF 13TH YEN LOAN PLAN

HK011141 Manila METRO MANILA TIMES in English 30 Oct 85 pp 11, 12

[By Rod Concepcion and Marianne Go]

[Text] The Japanese Government has agreed to set aside 6 billion yen of the 55.5-billion 13th yen loan package and another 13 billion of the 12th yen loan package for official debt rescheduling. Sources at the Japanese Embassy said yesterday that the move was in line with a Philippine request to restructure 100 billion yen (about \$500 million) falling due between January and June next year.

Meanwhile, the sources added that the 13th yen loan package might be released next month after the exchange of notes and loan agreement between officials of the two countries who are scheduled to meet in Tokyo next month. The loan package includes 11 priority projects and a 16-billion commodity loan for imports. The 13th yen loan package carries a 3.5-percent interest rate with a repayment period of 30 years and a 10-year period of grace. The 16-billion yen commodity loan carries a 3.5-percent interest with a 20-year repayment period, including a five-year grace period.

Part of the 100-billion yen loan which is being sought to be restructured came from the Organization of Economic Cooperation Fund (OECD), the Japanese Ex-Im Bank, and Japan's Ministry of International Trade and Industry (MITI). Formal talks on the rescheduling will take place from November 6 to 8, with officials of the Japanese Ex-Im Bank and MITI participating. The sources said rates for the rescheduled loans would be higher than commercial interest rates. The sources also said only 36 percent of the 12th yen loan package had so far been used up because of the low demand for imports. The 12th yen loan package expires in May next year.

Meanwhile, Economic Planning Minister Vicente Valdepenas, Jr., has recommended to Prime Minister Cesar Virata the cancellation of \$250 million in official development assistance (ODA) loans. At least \$1 billion in ODA loans remains untapped owing to the lack of local funds for counterpart financing. Government coffers are being drained by payments of commitment fees to these loans.

The Japanese Embassy sources, however, explained that the lack of local counterpart funding was not true in the case of Japanese loans, saying the Philippine Government usually had sufficient funds to match the Japanese loans. They added that of the 11 priority projects under the 13th yen loan package, three did not require counterpart funding from local sources. These projects are the Maritime Communication project, the Pampanga Delta Flood Control and Irrigation project, and the Nationwide Ice Plants and Cold Storages Network System. The other projects included in the 13th yen loan package are the Philippine-Japan Friendship Highway Improvement project, the Rural Water Supply project, the Provincial Water Supply project, the Nationwide Air Navigation Modernization project, the Regional Telecommunication Development project (Regions 1 and 2), the Flood Forecasting and Warning System for Dam Operation project, the Metro Manila Circumferential Road No. 3 (C-3) project, and the Floating Unloader project. The release of the 13th yen loan package will bring the total amount of the yen loans extended by Japan to the Philippines to 466.5 billion yen (about \$2,170 million).

#### 13th Yen Loan Package

##### A. Project Loan (OECF)

<u>Project</u>	<u>Million yen</u>
1. Philippine-Japan Friendship Highway Improvement (II-2)	4,467
2. Rural water supply (III)	2,555
3. Provincial cities water supply	760
4. Countrywide air navigation facilities modernization (II)	7,595
5. Regional telecommunications development in regions I & II (B)	8,320
6. Flood forecasting and warning system for dam operation (II)	3,988
7. Maritime communication (E/S)	148
8. Metro Manila circumferential road No. 3 (C-3)	1,439
9. Pampanga delta flood control & irrigation (E/S)	705
10. Floating unloader	2,875
11. Nationwide ice plants and cold storages network system (E/S)	175
Subtotal	33,027
B. Commodity loan (OECF)	16,473
C. Debt rescheduling	6,000
Total	55,500

Source: NEDA

GOVERNMENT RESTRUCTURES \$2.35 BILLION IN LOANS

HK040603 Manila PHILIPPINES DAILY EXPRESS in English 2 Nov 85 p 9

[By Arleen C. Chipongian]

[Text] Some \$2.35-billion worth of maturing loans were restructured by the government during the first seven months of the year, the National Economic and Development Authority (NEDA) reported yesterday. This loan restructuring led to the 264-percent increase in the flow into the country of loans during the period, the NEDA said while adding that "without the restructuring, the medium-and long-term (loan) inflow would have been lower by 44 percent compared to (loan) inflows in the same period last year.

Of the \$2.35 billion loans restructured from January-July 1985, \$1.843 billion represented restructuring with foreign commercial banks; \$466 million with the Paris Club and \$41 million with suppliers. A major development in the external accounts of the country, the NEDA pointed out, was the restructuring or conversion of certain short-term obligations into long-term obligations, the sharp decline in rollovers of short-term loan arrears and the higher net repayments, particularly, on oil loans.

As of June 20, the total foreign exchange liabilities of the country reached \$25.19 billion or lower than the foreign exchange liabilities of \$25.418 billion registered during the same period in 1984.

Other highlights of the NEDA report follow:

-- The one-percent growth in the agricultural sector in January-June 1985 reflected a fall from the two percent growth registered in the first semester of 1984. On the other hand, the industrial and services sector dropped by 12.6 percent and 1.1 percent, respectively, from January-June 1985.

-- The total public investment program from 1985-1980 amounted to P178.6 billion, with the government limiting the annual investment program to only three-to-four percent of the gross national product.

NEDA also said in its report that the government will continue to implement budgetary reforms particularly the sustained provision for maintenance and operating costs of completed projects, the expenditure control measure to minimize carry over of unliquidated obligations, the generation of more peso counterpart funds (especially of government corporations) and the cancellation of unused loan commitments.

GOVERNMENT REVENUES TOTAL 59.4 BILLION PESOS

HK011257 Manila METRO MANILA TIMES in English 30 Oct 85 pp 11, 12

[Text] The national government generated a total revenue of P59.4 billion last year, about P930 million more than the targetted level of P58.4 billion. The Commission on Audit (COA) reported that last year's actual revenue intake grew by 27.9 percent, up by P13 billion over the 1983 level of P46.1 billion.

In its 1984 year-end financial report on the national government released recently, the COA said of the total revenue collection, P51.9 billion came from tax sources while P7.4 billion was from non-tax sources. Of the tax revenue, the Bureau of Internal Revenue (BIR) collected the biggest share of P31.7 billion (61 percent) followed by the Bureau of Customs, P18.9 billion (36.3 percent).



The COA report said the BIR exceeded its estimated tax receipts of P21.5 billion by P10.2 billion, or 47.4 percent, which can be attributed mainly to the tax reforms instituted during the year which were intended not only to raise revenues but also to make the tax system more equitable and responsive to economic activity. The customs bureau, on the other hand, surpassed its projected receipts of P16.2 billion by P2.7 billion or 16.8 percent.

Taxes on domestic goods and services amounted to P15.3 billion but this fell short of the projected collection of P17.9 billion by P2.6 billion. Taxes on international trade and transactions which hit only P19.2 billion also failed to reach the targetted yield of P22.8 billion or a difference of P3.6 billion. Taxes on income and profits amounted to P13 billion, representing a P4.2-billion or 47.3-percent jump from the previous year's collection, as well as a P2.6-billion or 25.5 percent increase over the estimated yield.

A substantial increase was recorded in the corporate taxes which last year went up by 101.5 percent over the P3 billion realized in 1983. COA ascribed this increase to the collection of inventory gains tax.

Data showed that corporate taxes dropped by 1,522 percent in 1983 when collection stood at only P3 billion compared to P4.6 billion in 1982. Taxes on individuals registered a negligible 5.4-percent increase, from P5.4 billion in 1983 to P5.7 billion last year. Other components of the tax revenues last year were: property taxes -- P269 million; miscellaneous taxes -- P4.1 billion; and fines and penalties -- P17 million.

The COA report said miscellaneous taxes grew by 154 percent from P1.6 billion in 1983 to P4.1 billion last year, making it the revenue component that posted the highest incremental percentage growth. This can be explained by the imposition of a higher foreign travel tax and the increase in the energy tax collection. Non-tax revenue amounting to P7.4 billion accounted for 11.8 percent of total income realized by the national government last year. Its components were operating and service income, P3.2 billion; property and investment income, P2.4 billion; and miscellaneous non-tax revenues, P640 million.

The COA disclosed the non-tax revenues collected by various government agencies as follows: Bureau of Treasury (miscellaneous) -- P1.7 billion; Bureau of Land Transportation, P731 billion [as published]; Ministry of Foreign affairs, P 522 million; Bureau of Posts, P240 million; Bureau of Energy Development P212 million; Bureau of Customs, P192 million; Ministry of Public Works and Highways, P112 million; and national land titles and deeds registration and administration, P95 million.

#### DROP IN EXPORT EARNINGS, GNP PREDICTED FOR 1985

HK011219 Quezon City ANG PAHAYAGANG MALAYA in English 25 Oct 85 p 7

[Text] The government projects a 15 percent drop in exports this year, a reversal from the original expectation of a 10 percent growth in export sales. Economic Planning Minister Vicente Valdepenas also said Gross National Product, the commonly accepted measure of economic activity, will drop by 2 percent this year in the first official admission so far that the country faces economic reversal for the third straight year.

Valdepenas said the revised export figures translate into foreign exchange earnings of "a little less than \$5 billion" from the original target of well above \$5 billion. Valdepenas traced the poor export performance to a 14 percent decline in exports from January to August although the shipment value from July to August went up by 1 percent.

He said the drop in exports is caused by the depressed world market for both traditional and non-traditional exports. World prices for traditional products such as sugar, copper, coconut and wood products are still at the bottom.

Valdepenas said exports since early this year are on the downtrend, decreasing by 11 percent to \$2.31 billion during the first semester compared with \$2.58 billion during the first semester of 1984. While the government is blaming the world market for low export earnings, businessmen say the tight money policy adopted by the government during the year held back production of export goods.

Businessmen have been also complaining of high tariff walls on their imported raw materials, needs, lack of easy financing for export-oriented activities, and lack of clear-cut government policy directions.

Valdepenas said the export slump is offset by the faster decrease in imports, placed at 16 percent. The decrease in imports, Valdepenas said, would lead to a current accounts deficit placed at \$115 million, an improvement from last year's \$796 million. He said that during the first semester of the year, the Philippines realized a balance of payments [BOP] surplus of \$270 million, unadjusted for arrears and foreign loans rescheduling. The surplus stood at \$2.5 billion after adjustments. The BOP surplus, he said, is a turnaround from a \$164 million deficit incurred last year over the same period.

As of Oct. 4, Valdepenas said the gross international reserves amounted to \$1.513 billion which is over the \$1 billion original target by the Central Bank.

#### BUSINESS LEADERS: DEFER IMPORT LIBERALIZATION

HK011531 Manila BUSINESS DAY in English 1 Nov 85 p 3

[By Daniel C. Yu]

[Text] Business and industry leaders want the import liberalization program deferred. This was one of the major findings of an ad hoc committee created to study the impact of the import deregulation program. The ad hoc committee, created by the Presidential Productivity Council (PPC), met in the last seven weeks with 13 industry sectors that will be affected by the import liberalization plan. During these meetings, it was noted that the 13 industry groups were not against import liberalization per se but wanted it deferred because it will hamper the country's economic recovery.

The ad hoc committee is headed by deputy Trade and Industry Minister and Board of Investments (BOI) Vice-Chairman Edgardo Tordesillas, representing the government sector, and Raul T. Concepcion, representing the business sector.

Industry leaders told the joint government-private sector ad hoc committee that manufacturing plants are operating at 45 percent to 60 percent of their 1983 levels and cannot compete with imports, much less share an already shrunken market with imports.

The committee was created to hold industry hearings to determine the impact of the import deregulation plan and to make appropriate recommendations in the drafting of an executive order. This executive order, to be signed by the President just before the import liberalization takes place, will direct the setting up of adequate safeguards to protect domestic industries from adverse effects of the liberalization plan.

Among others, the committee has indicated that it will propose the continued monitoring of the home consumption values (HCVs) of all sensitive items to be liberalized. The committee also indicated that it will propose the formation of a "working group" composed of representatives from the Bureau of Customs, Ministry of Trade and Industry, local manufacturers or accredited industry associations and importers to monitor the values of imports. This group will ensure that before import letters of credit for sensitive items are opened, the correct tariff classifications are described and the import values, currently determined by the HCVs, based on the items' wholesale prices in their countries of manufacture.

In addition to the proposed formation of this working group, the ad hoc committee is also concentrating on a number of other essential elements to be incorporated into the executive order. Among these are the streamlining of the antidumping procedures, the setting up of an antisurge mechanism and the thorough review of the tariff structure, considered as the major safeguards that should protect domestic industries adequately. Set to be liberalized by the end of this year are 1,303 items with an annual import value of \$932 million. This will affect 13 major industries that are particularly sensitive to competition from imports. The 13 industries are chemical, iron and steel, beverage, cigaret, meat processing, poultry, consumer durables, synthetic resins, pulp and paper, tire, textile, synthetic fiber, sheet and plate glass.

Many business leaders from the 13 industry groups however believe that even with the safeguards in place, import liberalization will still have adverse effects because of difficulties in enforcing some of these safeguards. "If the government today cannot curb smuggling, the bane of many industries today, how do you expect them to enforce these so-called safeguards?" a businessman added.

#### COUNTRY'S LABOR PRODUCTIVITY DECLINES IN 80'S

HK011537 Manila BUSINESS DAY in English 1 Nov 85 p 2

[Text] The country's labor productivity measured in terms of gross domestic product (GDP) per employed person was estimated at P5,219 for the entire economy in 1984, according to the Ministry of Labor and Employment (MOLE).

The MOLE's Labor Statistics Service (LSS) arrived at the figure from data compiled from the April 1984 key indicators of developing member countries of Asian Development Bank (ADB), National Productivity Commission (NPC), National Economic and Development Authority (NEDA) and National Census and Statistics Office (NCSO).

LSS said that over the span of 14 years from 1971 to 1984, the year-to-year growth rates in productivity was positive and increasing except for shortfalls suffered in 1973, 1978, 1982 and 1983. On the whole, it said, labor productivity was on the uptrend during the 1970's, rising at an annual rate of 2.52 percent in 1971-75 and up to 3.33 percent from 1976 to 1980.

In the ensuing four years, 1981-1984 however, there was a negative 1.03 percent average annual growth rate due to contraction in economic activities which resulted in serious setbacks in labor productivity performance, with the period 1982-1983 exhibiting the biggest decline of about 9 percent, LSS said. The report said that while labor productivity in 1984 improved considerably to P5,219 from a low of P4,850 a year ago, the level was low and was comparable only to that attained in 1977. LSS observed varying trends in labor productivity among the three sectors comprising the economy -- agriculture, industry and service.

During the 14-year period, agriculture exhibited a sluggish but stable growth rate of from P2,190 to P2,430 per person, it said.



In contrast, the report said, labor productivity in industry has been comparatively high but fluctuating between P8,280 and P14,960 during the same period. Labor productivity in the service sector ranged between P5,130 and P6,510 per person.

An inter-country comparison of the level and growth in labor productivity among eight selected developing countries in Asia during the 1975-1982 period showed Malaysia, South Korea, Singapore, Taiwan and Hong Kong enjoying high labor productivity, while the Philippines, Thailand and Indonesia considerably lagged behind. In absolute terms, the average labor productivity per person during the period for South Korea, Malaysia, Taiwan, Hong Kong and Singapore ranged from \$3,527 to \$9,383, while the Philippines, Thailand and Indonesia exhibited an extremely low productivity level of between \$1,099 and \$1,636.

"One valid observation that can be made from the above scenario is the fact that increased population had placed tremendous pressure on labor productivity," according to the report. It said that except for South Korea which ranked the least in the hierarchy of countries with high labor productivity, all four countries have small and manageable population size and labor force which enable them to utilize their manpower in a more efficient and productive manner. Conversely, the report said, the Philippines, Thailand and Indonesia have to contend with a rapidly growing population that tended to thin off their efforts to increase their labor productivity at par with their neighboring countries' economies.

#### GOVERNMENT URGED TO SEEK LARGER U.S. SUGAR QUOTA

HK011023 Manila BUSINESS DAY in English 31 Oct 85 p 5

[By Emerito C. Bagabaldo, executive director of the Philippine Sugar Producers Coordinating Council and former executive secretary of the National Federation of Sugarcane Planters]

[Text] The United States sugar market has always been a profitable export market for Philippine sugar, compared to the so-called world market. The words "so-called" are so emphasized. That market, if it can be called a market at all, is only for homeless or surplus sugar. It is a residual market.

Each of the sugar-producing countries of the world community have their traditional markets: the domestic and their traditional export market which pay viable prices, assuring the producers of a fair return on investment. The so-called world market accounts for an estimated 15 percent of the world trade in sugar.

Up until 1974, the Philippines had the United States as its traditional export market. Before 1960, the offshore suppliers to the United States sugar market were Cuba, Hawaii and the Philippines. After 1960, when Cuba broke diplomatic relations, the Philippines became the largest foreign supplier with a basic quota of 980,000 short tons. The 1960, 1962 and 1965, U.S. Sugar Act Amendments gave the Philippines quota increases, basic as well as entitlements. And the Philippines having proved herself a reliable supplier, the 1971 U.S. Sugar Act Amendments established for the Philippines a basic quota of 1,126,021 short tons and a 30.08 percent share of the shortfalls. Consequently, by 1974, the Philippine basic quota and entitlements amounted to almost 1.6 million tons.

Suffice to state, alongside the 30-odd foreign suppliers, the Philippines became Number 1. We lost this position after 1974, and with it that much of foreign exchange earnings. No doubt, the 1948 United States Sugar Act, as amended expired on December 31, 1974. But it did not mean access to the United States sugar market was completely closed to Philippine sugar. The United States decided to go global on a first-come first-served basis.

Even if it may sound like "crying over spilt milk" the Philippines opted to sell to the so-called world market at a time when prices were higher than those offered by the United States market, forgetting that at best the so-called world market is a volatile market where the "boom and bust" cycle is significant, as compared to the more stable and profitable market that the United States sugar market is.

The decision then taken by the Philippines from 1975 onwards may have been an ill-advised business decision. In 1963, a similar situation arose. So-called world market prices rose to almost 70 cents a pound compared to seven to eight cents a pound offered by the United States market at the time. The leaders of the sugar industry then urged everyone to ignore the so-called world market and fill up the U.S. market quota. This move paid off in more ways than one. As already stated above, the Philippines got as much as 1.6 million tons as basic quota and entitlements in 1974 under the 1971 Amendments to the 1948 U.S. Sugar Act.

This article is an attempt to bring into perspective what happened. More important, we fully support the appeal made by Ambassador Ramon Nolan that "if even the temporary restoration of the Laurel-Langley quota is rejected, then we should demand for the total re-examination of Philippine-American relations in all its aspects and concepts."

The first order of business is for the Philippine Government, through the Philippine Sugar Commission, to establish the foundations for a viable and progressive sugar industry. In the words of Ambassador Nolan, "The reported acts of mismanagement and irregularities by the Philsucom [Philippine Sugar Commission] and Nasutra [National Sugar Trading Agency] have only contributed to and aggravated the critical situation in the industry".

Skepticism prevails in the sugar industry for the reason among others that until today Nasutra owes the producers some P761 million for domestic sugar produced from March 4, 1985 to end of milling as of July 19, 1985 per Nasutra's own records, at least. How can the producers be encouraged to produce more to meet additional U.S. market quotas should the campaign as proposed by Ambassador Nolan succeed if this skepticism persists? Certainly, the United States will always look at the supply position and capability of the Philippines to supply, not merely a promise to supply.

Within the framework of Ambassador Nolan's suggestion to "demand for the total reexamination of Philippine-American relations" it is perhaps not too much to also suggest:

1. That the Philippine Government seek the reexamination of the basis for assigning quotas to foreign suppliers as it did in mid-1982. Considering that the other 30-odd foreign suppliers, together with the Philippines, were assigned U.S. quotas beginning 1965, their respective performance records together with the Philippines should be reviewed from 1965 as a new basis for assigning quotas to foreign country suppliers.
2. On the one hand, the Philippines has adopted a national economic recovery program. On the other hand the continued decline of the Philippines' 13.5 percent share of the U.S. market will contribute to the difficulty in implementing the national economy. This, in turn, will seriously affect national security which should become the concern of the United States. The thrust of the proposed campaign therefore should abundantly show that it is as much to the American interest as it is to the Philippines that democracy must prevail in this country which for more than half of a century was regarded as the "showcase of democracy."

For more than three quarters of a century the Philippines benefited from the foreign exchange earned by the sugar industry, the contributions to government revenues in form of direct and indirect taxes, employment opportunities for hundreds of thousands of workers and other benefits.

Today, in the words of Bernardo Villegas of CRC, the sugar industry is a "sunset" industry. What is at stake in the proposed campaign will not benefit only the sugar producers and workers. It will benefit the country and its people as a whole. Should we not help resuscitate the Industry?

#### LABOR INDUSTRY HITS PROPOSED STRIKE BAN BILL

HK011509 Manila BULLETIN TODAY in English 1 Nov 85 pp 1, 22

[By O.S. Giron]

[Text] A bill banning strikes in all industries, except during deadlock in negotiations for collective bargaining agreements (CBAs), came under fire yesterday from the labor sector. The strike ban, proposed in Parliamentary Bill 5490, was disclosed by Member of Parliament Renato Cayetano (KBL, Taguig) during a talk before members of the Legal Management Council of the Philippines last Oct 28. The Trade Union Congress of the Philippines (TUCP) charged that the proposal would virtually make "impotent" the strike option of workers.

Earlier, Cayetano drew the ire of labor and business groups when he drafted a bill last June seeking a three-year moratorium on strikes.

TUCP Executive Vice President Andres L. Dinglasan Jr said the bill, if enacted into law, would violate the constitutional and moral rights of workers to bargain on equal footing with management in pursuit of their economic and social well-being. "This will reinforce the constitutional repression suffered by workers at present because of the continued implementation of antilabor laws, such as Batas Pambansa Blg. 130 and 227 and Letter of Instructions 1458," he said. "The ban on strikes will make workers easy prey to exploitative capitalist tendencies of management who, by nature, exist and operate in consonance with the profit motive."

Disputing claims by Cayetano that "workers need not strike for any reason except deadlocks in CBA negotiations because there are enough laws to safeguard their welfare," Dinglasan quoted statistics showing that as of last May, only 10 percent of strikes were staged because of CBA impasses. Majority of the strikes were declared because of unfair labor practices, dismissals of union members and discrimination against them, violation of CBA, and disregard of labor standards, he pointed out.

Dinglasan said it is time the government started studying innovations to make the present labor relations system relevant to the fast-changing labor situation.

#### UK FIRM CONTRACTED FOR POWER FORECASTING TRAINING

HK011527 Manila BUSINESS DAY in English 1 Nov 85 p 11

[Text] ABBA Consultants, a British computer systems company, has been awarded a major consultancy contract worth P250,000 for the transfer of technology in load forecasting methodology to the staff of National Power Corp [NPC]. It is due for completion in mid-1986.

ABBA's transfer of technology will assist the NPC in predicting electrical power requirements in the Philippines for up to 20 years hence. NPC personnel will be trained in computer-based load forecasting techniques, the conduct of a live load forecast for demonstration purposes and the supply and implementation of computer hardware and software for load forecasting purposes. ABBA is itself providing the computer hardware and software and, as the main contractor, is responsible for project management.



ABBA has sub-contracted the portion of the program concerned with load forecasting methodology to British Electricity International (BEI), the overseas consulting wing of the United Kingdom Electricity Council. Some of the NPC staff's training will be conducted at the Council's London premises.

#### DIVESTMENT PROGRAM TO BEGIN WITH SHIP SALES

HK011517 Manila PHILIPPINES DAILY EXPRESS in English 1 Nov 85 p 8

[By Raul Marcelo]

[Text] The government will start its divestment program with the sale of its shipping interests to the private sector before the end of this month. Government sources yesterday said that the negotiation for the sale of the ships presently owned by the National Development Co (NDC) and the PNOC [expansion not given] Shipping and Transport Corp is nearly completed.

Despite the depressed shipping market, the sources said that the government was able to attract buyers because it included long-term hauling contracts in the sale package. These hauling contracts with the Philippine Associated Smelting and Refining Corp (PASAR) and the Philippine Phosphatic Fertilizer Corp (Philphos) will ensure a profitable business for the buyers of the ships, the sources claimed.

Included in the sale are the five vessels bought by the National Shipping Corp, a subsidiary of the NDC, from the Development Bank of the Philippines (DBP) in August 1984 with a capacity of 20,000 DWT each. The ships, which are chartered and operated by another NDC subsidiary -- the National Shipping Corp of the Philippines (NSCP) -- were acquired by the DBP from the National Galleon Shipping Corp. Last year, NSCP was able to operate the vessels profitably, realizing a net income after tax of P10.8 million.

Negotiating for the government is a special committee created by Prime Minister Cesar Virata, which is headed by Transportation and Communications Minister Jose P. Dans, Jr, the sources said. They added that the private buyers are represented in the talks by the Conference of Interisland Shipowners and Operators (CISO).

The sale of the government's interests in the shipping industry this month will serve as the "guinea pig" in the current thrust of disposing the 300 or so state-owned corporations, the sources pointed out.

#### MILITARY REFORMISTS MAY FACE ARREST, DETENTION

HK040943 Quezon City VERITAS in English 3 Nov 85 pp 12, 14

[Text] Some of them, at one point or another in their military careers, have had to arrest one or more political detainees on the strength of Preventive Detention Action (PDA) order. But, irony of ironies, some or all of the members of the reform movement may now be the objects of a PDA themselves.

The AFP Reform Movement told VERITAS that the group has been informed by a "usually reliable" source that the President has signed a PDA for some of its leaders. A PDA is an arbitrary arrest order issued by the president usually for persons accused of rebellion, subversion, sedition or other acts inimical to the security of the state.

The reformists do not know who among them are named in the PDA. They can only speculate that "at least 25" of them may be involved since the president supposedly knows that there are 25 members of the steering committee.

They have not seen a copy either (copies of a PDA are ordinarily distributed to law enforcers only when the order to arrest is given out) for they were told that the president is holding on to the order in the meantime. That is why they would rather think that the PDA for them may not be served at all and that its alleged existence has been made known to them as a deterrent or as a "form of harassment."

Capt. Rex Robles, spokesman for the movement, gave the reformists' official stand on the matter: "We do not believe that the president can really use a PDA against us. We believe that this is just an effort by people who want to drive a wedge between the commander-in-chief and his reform movement."

Other leaders of the now popularly called We Belong group have taken a similar stand. They cite several pronouncements made by President Marcos supporting the movement in its clamor for reforms within the Armed Forces of the Philippines. They recalled that he has even recommended that his book, "The Filipino Ideology," should serve as the movement's bible.

When VERITAS asked a few high-ranking AFP officers about the matter, no one admitted having any knowledge of a PDA for the reform movement. Both Major Generals Vicente Piccio (PAF) [Philippine Air Force] and Josephus Q. Ramas (PA) [Philippine Army] just laughed off the story. Even Defense Deputy Minister Jose Crisol said he doesn't know of any such thing. Others who would rather not be named said the idea of a PDA is "unimaginable!" One source likened it to "a father issuing an arrest order for his son." Another admitted that "much as I do not sympathize with the movement, issuing a PDA for them does not create a healthy situation within the military institution." Another one declared: "I cannot believe that. It is a divisive move and runs counter to the president's policies of maintaining unity in the armed forces."

What is clear at this point however, according to high-ranking military officers who asked not to be identified, is that there are instructions from the president himself to refrain from talking publicly about the reform movement. "We were told to be low-key about it," one said. "It is an internal matter and should be kept within the institution," reasoned another.

Military sources said that the "heat" is already felt by the reformists. A few of them even offered to resign if their commanding officers were really having a difficult time in taking up the cudgels for them. The resignations, however, were rejected, the sources said.

The news of the supposed PDA spread fast. Robles was deluged with calls from reformists "as far as Mindanao asking for guidance." His advice to them was simply "to ignore what they heard as just the doings of enemies of the state wanting to alienate the movement from the president." According to Robles, it was at the height of the Sept. 21 nationwide demonstrations when the information leaked out. Reformists heard that not just the leaders but ordinary members as well were going to be picked up. They were told that the list included members from the regions, thus the great apprehension outside Metro Manila. And they likewise learned that even officers below the rank of colonels were involved.

The story, if true, is not altogether without precedent. A small group of both retired and active officers were arrested in early 1980 when a young colonel accused them of planning a January coup against the government.

But prior to this incident, no other military officer had been arrested on a similar basis, although some were detained or relieved from service. During martial law, for instance, the military had the aides of Executive Secretary Alex Melchor detained when Melchor recommended the retirement of 11 generals. The same fate befell those of ex-Sen. MP Eva Estrade Kalaw when she was accused of conspiring with retired officers in a plot against the government.

Scarce though the precedents may be, reformists nevertheless perceive undercurrents of a logical pattern that would justify the issuance of a PDA against them. They recall that as soon as their existence surfaced before the public eye, they were already being accused of having connections with the National Democratic Front (NDF), an organization branded as subversive by the government.

It would probably be a mistake on their part to lightly dismiss the accusation as "just a form of harassment" and refuse to do anything to stop the flow of misinformation. It would probably also be a mistake to ignore another piece of information given them that a few of their members were investigated by a special body created by the National Intelligence Security Agency (NISA). They did not bother to find out the conclusions of the investigation. All they know is that at least 15 of them were named at the start by the group who later trimmed down the list to nine.

And now the PDA threat. Confronted with the possibility of arrest, leaders of the movement reacted in various ways. Robles says he is not preparing any plan to evade arrest. "It's all right. Even if they arrest me, they cannot stop the movement." Other reformists, however, react more passionately. One of them told VERITAS: "Hindi ako pahuhuli nang buhay (They will not take me alive)!"

#### MILITARY POWER REPORTEDLY DECLINING IN NEGROS

HK010949 Quezon City VERITAS in English 27 Oct 85 p 18

[By PHILIPPINE NEWS & FEATURES]

[Text] There had seemed hardly any tension, even after the four firetrucks had fired all their water cannons on the demonstrators. Juvelyn Jaravelo, the first casualty in the massacre of at least 21 demonstrators four weeks ago in Escalante, Negros Occidental, quipped: "I should have brought my shampoo."

But the 30-minute barrage of gunfire which followed the water cannons shattered this illusion, bringing into sharp relief the fact that what happened in Escalante town, 95 kilometers northeast of Bacolod City, was another bloody episode in a widening war.

The forces involved are the military establishment -- four battalions of regular troopers spread all over Negros Occidental, plus thousands more of paramilitary forces, well-entrenched within the remotest barriers; and the communist-led New People's Army (NPA), thriving in the crisis situation and among an increasingly sympathetic civilian population.

The military, outnumbering the guerrillas many times over, is still on the offensive. But since January 1983, the guerrillas have launched 11 "tactical offensives," including the March 25, 1985 raid on the armory of the Visayas Maritime Academy right in the heart of Bacolod, which netted the NPA 421 high-powered rifles.

On the military's side, there are also the increasingly notorious Civilian Home Defense Forces (CHDF), paramilitary troopers organized, says acting Armed Forces Chief of Staff Lt Gen Fidel Ramos, "mainly for economic reasons."

As in restive Mindanao, they first appeared in Negros "to provide security" for the vast agribusiness farms of Negros. The sugar planters, such as those in sprawling Victorias town, are the patrons of, and often are reserve, CHDFs themselves. One percent of the



total profits of the multinational Victorias Milling Company, for example, is set aside every year for the recruitment, training and improvement of the paramilitary forces.

Most CHDFs in Negros are under the supervision of the Regional Special Action Command (RSAC), which is mainly responsible for their eight-week training. Armed with high-powered rifles they come in three categories: as part-time soldiers integrated with the AFP [Armed Forces of the Philippines] and receiving P200 per month (category three); specialized CHDFs who also act as security guards for big companies and planters (category two); or active reserves, unorganized carriers of high-powered rifles (category one), to which most planters belong.

RSAC controls CHDFs only in eight towns. Other CHDF units are controlled by the Philippine Army, such as those in Kabankalan town, or by sugar tycoons who "control" CHDFs in Central Negros Occidental. There are also specialized CHDF units such as the Panther group (which participated in the Escalante shooting) in Barangay (village) Bato in Cadiz city; the specialized unit in Hacienda Kulisap, and the group in Gatubdan, Araal, a detachment of 60 men with three machineguns in bunkers -- all in Northern Negros Occidental.

The picture looks good -- for the military at least -- until one runs across a CHDF man himself. At a military checkpoint in Cadiz city, for example, a paramilitary trooper in faded fatigue pants and orange-colored T-shirt, swings his M-16, and stops a crowded pick-up. "Ilabas, ilabas ang mga camera (Out, out with the cameras)," he orders the terrified church-worker passengers. As his colleagues shove the driver towards the barracks to grill him, the trooper yells "You keep taking pictures of us, without us knowing to whom you will give them. If you give them to the rebels, (we will surely be targets). What will happen to our families?"

Within Bacolod itself, the provincial capital, a lieutenant in the local Constabulary company, complains: "Our situation is difficult because we do not know who our enemies are. But they know us very, very well..."

Fear? Demoralization is the word preferred by critics, but denied flatly by military officials. "I have been around the country inspecting the troops and I would say that morale is high," Defense Deputy Minister Carlos Cajelo told PHILIPPINE NEWS AND FEATURES.

Military abuses is another matter, but an equally disturbing problem for the armed forces. In Negros, "there are also (incidents of) military abuses, but very few," says Capt. Roland Rabara, RSAC commander. "It should be understood, however, that the life of a soldier is difficult. The pay is small -- P1,000. He's even away from his family, and when a loved one gets sick, he cannot even go home."

But the bigger problem seems to be the system itself. "Once (there is) poverty, corrupt government- military abuses, (the) NPAS grow (in number). People join the NPA because their relatives (have been) killed and because of the poor economic situation," says Rabara.

Another problem would be the military's strategy itself. Some observers note that the military apparatus in Negros is one big helpless elephant. Not understanding what they're fighting, the soldiers try to resolve everything with guns. But as in Escalante, the bullets almost always backfire, because in the end, the military and the establishment find themselves isolated by the reactions that follow the killings. Although the captain believes, as his superiors do, that the situation is still "under control," he acknowledges that the NPA has grown considerably. From one Negros guerrilla front in 1981, the rebels have indeed set up two more such fronts encompassing 28 towns and two cities in 1984, according to the Communist Party of the Philippines' official paper, ANG BAYAN.

But perhaps, the NPA's greatest achievement has been its having gained the support of the civilian population. "Ka Nelson," who heads an NPA unit the size of a company, told journalists recently: "All areas covered by the guerrilla zones support the NPA. In my personal estimate, 90 percent, or almost all people in the guerrilla fronts, give voluntary support." Ka Nelson also said that "the 7th Infantry Battalion, concentrated in six southern towns, is isolated and almost blind because the masses give total support to the NPA."

The soft-spoken cadre also related that in the 10 tactical offensives successfully launched by the NPA since January 1983, the civilian population played key roles. In the April, 1984 NPA ambush of all 11-man military force in Isabela town, civilians acted as decoys. In the raid on the Marinduque Corporation in February this year, and in an ambush of soldiers of the 7th 1B in Binalbagan town last year, civilians also provided information on military movements. In other offensives, Ka Nelson said, the civilians actually took part in the operations.

Although the increasing impoverishment of Negrenses could have been the main stimulus, the growth of the NPA can also be explained by the "style" of the tightly-knit well-disciplined guerrilla units.

"The standing policy" towards CHDFs for example, says Ka Nelson, is "to win them over, unless they have blood debts to the masses." "Ka Jun," 26, another company commander, told journalists: "We take care of surrenderees and prisoners, especially if they are wounded. In Bactolan, eight policemen surrendered after a brief firefight and we treated the injured so he could be seen by passers-by and brought to a hospital. In an encounter in Cabadiangan, there was one CHDF who surrendered to me. He was not harmed. We gave him transportation fare so he could go home. These people are freed because they do not directly harm the masses. Some, however, such as those who have blood debts to the masses, are subject to revolutionary punishment."

Asked to comment on the possibility that civilians may be hit in the crossfire, Nelson says in fluent Ilonggo (the local dialect): "We in the NPA try to take that into consideration. We try to make sure that no damage is inflicted on civilians. But this is a war. Anything can happen. Anyway, to avoid killing innocent civilians, we have circulated flyers among the people advising them to take precautionary measures: (1) don't ride in military vehicles; (2) avoid public transport on which there are military troopers; and (3) avoid places where the military stays, such as detachments and headquarters."

At the rate they are winning support, the rebels could be just a few years away from victory, unless the social volcano seething in Negros somehow cools, and the military gains enough credibility.

#### NEGROS SUGAR WORKERS GET MIDDLE EAST JOBS, LOANS

HK050457 Quezon City Maharlika Broadcasting System in English 0400 GMT 5 Nov 85

[Text] The families of 500 sugar workers in Negros Occidental are to receive interest-free loans on Friday. The loans will be handed to the families by the welfare fund administration. The breadwinners of those families will repay the loans through the salaries they will obtain from overseas jobs. Five hundred of the sugar workers have been hired for jobs in the Middle East pending their first remittances to their families, the loans to be given out by the welfare fund are expected to help the families of the workers. The welfare fund sets aside a maximum of 5,000 pesos economic loans to families of sugar workers who have been hired for jobs overseas.

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